House Facilities, Licensure, & Regulations Subcommittee Am. #1

Amendment No._____

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

Signature of Sponsor

AMEND Senate Bill No. 1940* House Bill No. 2405

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 63, Chapter 1, Part 1, is amended by adding the following new section:

(a) This section shall be known and may be cited as the "Veterans Traumatic Brain Injury and Post-traumatic Stress Disorder Treatment and Recovery Act".

(b) As used in this section:

(1) "Authorized medical professional" means a healthcare provider who holds a license in good standing in this state as a:

(A) Physician licensed under chapter 6 or 9 of this title;

(B) Nurse licensed under chapter 7 of this title;

(C) Physician assistant licensed under chapter 19 of this title; or

(D) Psychologist licensed under chapter 11 of this title;

(2) "Hyperbaric oxygen therapy treatment" means treatment with a prescription from an authorized medical professional in either a hyperbaric chamber approved by the United States food and drug administration or a device with an appropriate investigational device exemption approved by the United States food and drug administration; and

(3) "Veteran" means a person who served on active duty, other than for training purposes, as a member of any component of the armed forces of the United States or of any reserve component, as defined in 10 U.S.C. § 10101, for a period of one hundred eighty (180) days or more, unless released earlier

because of a service-connected disability, and who was discharged or released from the armed forces of the United States under conditions other than a dishonorable discharge.

(c) An authorized medical professional may prescribe hyperbaric oxygen therapy treatment to a veteran for the treatment of traumatic brain injury or post-traumatic stress disorder. Any authorized medical professional who prescribes hyperbaric oxygen therapy treatment to a veteran for the treatment of traumatic brain injury or post-traumatic stress disorder must do so in a manner that complies with the treatment protocols approved by the division.

(d) A veteran who is a resident of this state and who has been diagnosed with a traumatic brain injury or post-traumatic stress disorder by an authorized medical professional may receive hyperbaric oxygen therapy treatment in this state for the treatment of traumatic brain injury or post-traumatic stress disorder.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

House Facilities, Licensure, & Regulations Subcommittee Am. #1

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_____
Signature of Sponsor

AMEND Senate Bill No. 1142 House Bill No. 1121

by deleting all language after the enacting clause and substituting the following:

SECTION 1. Tennessee Code Annotated, Title 63, Chapter 11, is amended by adding the following language as a new part:

63-11-401. Short title.

This part shall be known and may be cited as the "Psychology Interjurisdictional Compact Act."

63-11-402. Compact approved and ratified.

The general assembly hereby approves and ratifies, and the governor shall enter into, a compact on behalf of the state of Tennessee with any of the United States or other jurisdictions legally joining therein in the form substantially as follows:

PSYCHOLOGY INTERJURISDICTIONAL COMPACT

ARTICLE I

PURPOSE

Whereas, states license psychologists, in order to protect the public through verification of education, training, and experience and ensure accountability for professional practice; and

Whereas, this Compact is intended to regulate the day to day practice of telepsychology (i.e. the provision of psychological services using telecommunication technologies) by psychologists across state boundaries in the performance of their psychological practice as assigned by an appropriate authority; and

Whereas, this Compact is intended to regulate the temporary, in-person, face-to-face practice of psychology by psychologists across state boundaries for thirty (30) days within a calendar year in the performance of their psychological practice as assigned by an appropriate authority; and

Whereas, this Compact is intended to authorize State Psychology Regulatory Authorities to afford legal recognition, in a manner consistent with the terms of the Compact, to psychologists licensed in another state; and

Whereas, this Compact recognizes that states have a vested interest in protecting the public's health and safety through their licensing and regulation of psychologists and that such state regulation will best protect public health and safety; and

Whereas, this Compact does not apply when a psychologist is licensed in both the Home and Receiving States; and

Whereas, this Compact does not apply to permanent, in-person, face-to-face practice, it does allow for authorization of temporary psychological practice.

Consistent with these principles, this Compact is designed to achieve the following purposes and objectives:

1. Increase public access to professional psychological services by allowing for telepsychological practice across state lines as well as temporary, in-person, face-to-face services into a state which the psychologist is not licensed to practice psychology;

2. Enhance the states' ability to protect the public's health and safety, especially client/patient safety;

3. Encourage the cooperation of Compact States in the areas of psychology licensure and regulation;

4. Facilitate the exchange of information between Compact States regarding psychologist licensure, adverse actions, and disciplinary history;

5. Promote compliance with the laws governing psychological practice in each Compact State; and

6. Invest all Compact States with the authority to hold licensed psychologists accountable through the mutual recognition of Compact State licenses.

ARTICLE II

DEFINITIONS

A. "Adverse Action" means: any action taken by a State Psychology Regulatory Authority which finds a violation of a statute or regulation that is identified by the State Psychology Regulatory Authority as discipline and is a matter of public record.

B. "Association of State and Provincial Psychology Boards (ASPPB)" means: the recognized membership organization composed of State and Provincial Psychology Regulatory Authorities responsible for the licensure and registration of psychologists throughout the United States and Canada.

C. "Authority to Practice Interjurisdictional Telepsychology" means: a licensed psychologist's authority to practice telepsychology, within the limits authorized under this Compact, in another Compact State.

D. "Bylaws" means: those Bylaws established by the Psychology Interjurisdictional Compact Commission pursuant to Article X for its governance, or for directing and controlling its actions and conduct.

E. "Client/Patient" means: the recipient of psychological services, whether psychological services are delivered in the context of healthcare, corporate, supervision, and/or consulting services.

F. "Commissioner" means: the voting representative appointed by each State Psychology Regulatory Authority pursuant to Article X.

G. "Compact State" means: a state, the District of Columbia, or United States territory that has enacted this Compact legislation and which has not withdrawn pursuant to Article XIII, Section C or been terminated pursuant to Article XII, Section B.

H. "Coordinated Licensure Information System," also referred to as "Coordinated Database," means: an integrated process for collecting, storing, and sharing information on psychologists' licensure and enforcement activities related to psychology licensure laws, which is administered by the recognized membership organization composed of State and Provincial Psychology Regulatory Authorities.

I. "Confidentiality" means: the principle that data or information is not made available or disclosed to unauthorized persons and/or processes.

J. "Day" means: any part of a day in which psychological work is performed.

K. "Distant State" means: the Compact State where a psychologist is physically present (not through the use of telecommunications technologies), to provide temporary, in-person, face-to-face psychological services.

L. "E.Passport" means: a certificate issued by the Association of State and Provincial Psychology Boards (ASPPB) that promotes the standardization in the criteria of interjurisdictional telepsychology practice and facilitates the process for licensed psychologists to provide telepsychological services across state lines.

M. "Executive Board" means: a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the Commission.

N. "Home State" means: a Compact State where a psychologist is licensed to practice psychology. If the psychologist is licensed in more than one Compact State and is practicing under the Authorization to Practice Interjurisdictional Telepsychology, the Home State is the Compact State where the psychologist is physically present when the telepsychological services are delivered. If the psychologist is licensed in more than one Compact State and is practicing under the Temporary Authorization to Practice, the Home State is any Compact State where the psychologist is licensed.

O. "Identity History Summary" means: a summary of information retained by the FBI, or other designee with similar authority, in connection with arrests and, in some instances, federal employment, naturalization, or military service.

P. "In-Person, Face-to-Face" means: interactions in which the psychologist and the client/patient are in the same physical space and which does not include interactions that may occur through the use of telecommunication technologies.

Q. "Interjurisdictional Practice Certificate (IPC)" means: a certificate issued by the Association of State and Provincial Psychology Boards (ASPPB) that grants temporary authority to practice based on notification to the State Psychology Regulatory Authority of intention to practice temporarily, and verification of one's qualifications for such practice.

R. "License" means: authorization by a State Psychology Regulatory Authority to engage in the independent practice of psychology, which would be unlawful without the authorization.

S. "Non-Compact State" means: any State which is not at the time a Compact State.

T. "Psychologist" means: an individual licensed for the independent practice of psychology.

U. "Psychology Interjurisdictional Compact Commission," also referred to as "Commission," means: the national administration of which all Compact States are members.

V. "Receiving State" means: a Compact State where the client/patient is physically located when the telepsychological services are delivered.

W. "Rule" means: a written statement by the Psychology Interjurisdictional Compact Commission promulgated pursuant to Article XI of the Compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the Compact, or an organizational, procedural, or practice requirement of the Commission and has the force and effect of statutory law in a Compact State, and includes the amendment, repeal, or suspension of an existing rule.

X. "Significant Investigatory Information" means:

1. Investigative information that a State Psychology Regulatory Authority, after a preliminary inquiry that includes notification and an opportunity to respond if required by state law, has reason to believe, if proven true, would indicate more than a violation of state statute or ethics code that would be considered more substantial than minor infraction; or

2. Investigative information that indicates that the psychologist represents an immediate threat to public health and safety regardless of whether the psychologist has been notified and/or had an opportunity to respond.

Y. "State" means: a state, commonwealth, territory, or possession of the United States, or the District of Columbia.

Z. "State Psychology Regulatory Authority" means: the Board, office, or other agency with the legislative mandate to license and regulate the practice of psychology.

AA. "Telepsychology" means: the provision of psychological services using telecommunication technologies.

BB. "Temporary Authorization to Practice" means: a licensed psychologist's authority to conduct temporary, in-person, face-to-face practice, within the limits authorized under this Compact, in another Compact State.

CC. "Temporary, In-Person, Face-to-Face Practice" means: where a psychologist is physically present (not through the use of telecommunications technologies), in the Distant State to provide for the practice of psychology for thirty (30) days within a calendar year and based on notification to the Distant State.

ARTICLE III

HOME STATE LICENSURE

A. The Home State shall be a Compact State where a psychologist is licensed to practice psychology.

B. A psychologist may hold one or more Compact State licenses at a time. If the psychologist is licensed in more than one Compact State, the Home State is the

Compact State where the psychologist is physically present when the services are delivered as authorized by the Authority to Practice Interjurisdictional Telepsychology under the terms of this Compact.

C. Any Compact State may require a psychologist not previously licensed in a Compact State to obtain and retain a license to be authorized to practice in the Compact State under circumstances not authorized by the Authority to Practice Interjurisdictional Telepsychology under the terms of this Compact.

D. Any Compact State may require a psychologist to obtain and retain a license to be authorized to practice in a Compact State under circumstances not authorized by Temporary Authorization to Practice under the terms of this Compact.

E. A Home State's license authorizes a psychologist to practice in a Receiving State under the Authority to Practice Interjurisdictional Telepsychology only if the Compact State:

1. Currently requires the psychologist to hold an active E.Passport;

2. Has a mechanism in place for receiving and investigating complaints about licensed individuals;

3. Notifies the Commission, in compliance with the terms herein, of any adverse action or significant investigatory information regarding a licensed individual;

4. Requires an Identity History Summary of all applicants at initial licensure, including the use of the results of fingerprints or other biometric data checks compliant with the requirements of the Federal Bureau of Investigation (FBI), or other designee with similar authority, no later than ten (10) years after activation of the Compact; and

5. Complies with the Bylaws and Rules of the Commission.

F. A Home State's license grants Temporary Authorization to Practice to a psychologist in a Distant State only if the Compact State:

1. Currently requires the psychologist to hold an active IPC;

2. Has a mechanism in place for receiving and investigating complaints about licensed individuals;

3. Notifies the Commission, in compliance with the terms herein, of any adverse action or significant investigatory information regarding a licensed individual;

4. Requires an Identity History Summary of all applicants at initial licensure, including the use of the results of fingerprints or other biometric data checks compliant with the requirements of the Federal Bureau of Investigation (FBI), or other designee with similar authority, no later than ten (10) years after activation of the Compact; and

5. Complies with the Bylaws and Rules of the Commission.

ARTICLE IV

COMPACT PRIVILEGE TO PRACTICE TELEPSYCHOLOGY

A. Compact States shall recognize the right of a psychologist, licensed in a Compact State in conformance with Article III, to practice telepsychology in other Compact States (Receiving States) in which the psychologist is not licensed, under the Authority to Practice Interjurisdictional Telepsychology as provided in the Compact.

B. To exercise the Authority to Practice Interjurisdictional Telepsychology under the terms and provisions of this Compact, a psychologist licensed to practice in a Compact State must:

1. Hold a graduate degree in psychology from an institute of higher education that was, at the time the degree was awarded:

a. Regionally accredited by an accrediting body recognized by the U.S. Department of Education to grant graduate degrees, OR authorized by Provincial Statute or Royal Charter to grant doctoral degrees; or

b. A foreign college or university deemed to be equivalent to 1 (a) above by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services (NACES) or by a recognized foreign credential evaluation service; and

2. Hold a graduate degree in psychology that meets the following criteria:

a. The program, wherever it may be administratively housed, must be clearly identified and labeled as a psychology program. Such a program must specify in pertinent institutional catalogues and brochures its intent to educate and train professional psychologists;

b. The psychology program must stand as a recognizable, coherent, organizational entity within the institution;

c. There must be a clear authority and primary responsibility for the core and specialty areas whether or not the program cuts across administrative lines;

d. The program must consist of an integrated, organized sequence of study;

e. There must be an identifiable psychology faculty sufficient in size and breadth to carry out its responsibilities;

f. The designated director of the program must be a psychologist and a member of the core faculty;

g. The program must have an identifiable body of students who are matriculated in that program for a degree;

h. The program must include supervised practicum, internship, or field training appropriate to the practice of psychology;

i. The curriculum shall encompass a minimum of three (3) academic years of full-time graduate study for doctoral degree and a

minimum of one (1) academic year of full-time graduate study for master's degree; and

j. The program includes an acceptable residency as defined by the Rules of the Commission;

3. Possess a current, full, and unrestricted license to practice psychology in a Home State which is a Compact State;

4. Have no history of adverse action that violate the Rules of the Commission;

5. Have no criminal record history reported on an Identity History Summary that violates the Rules of the Commission;

6. Possess a current, active E.Passport;

7. Provide attestations in regard to areas of intended practice, conformity with standards of practice, competence in telepsychology technology; criminal background; and knowledge and adherence to legal requirements in the Home and Receiving States, and provide a release of information to allow for primary source verification in a manner specified by the Commission; and

8. Meet other criteria as defined by the Rules of the Commission.

C. The Home State maintains authority over the license of any psychologist practicing into a Receiving State under the Authority to Practice Interjurisdictional Telepsychology.

D. A psychologist practicing into a Receiving State under the Authority to Practice Interjurisdictional Telepsychology will be subject to the Receiving State's scope of practice. A Receiving State may, in accordance with that state's due process law, limit or revoke a psychologist's Authority to Practice Interjurisdictional Telepsychology in the Receiving State and may take any other necessary actions under the Receiving State's applicable law to protect the health and safety of the Receiving State's citizens.

If a Receiving State takes action, the state shall promptly notify the Home State and the Commission.

E. If a psychologist's license in any Home State, another Compact State, or any Authority to Practice Interjurisdictional Telepsychology in any Receiving State, is restricted, suspended, or otherwise limited, the E.Passport shall be revoked and therefore the psychologist shall not be eligible to practice telepsychology in a Compact State under the Authority to Practice Interjurisdictional Telepsychology.

ARTICLE V

COMPACT TEMPORARY AUTHORIZATION TO PRACTICE

A. Compact States shall also recognize the right of a psychologist, licensed in a Compact State in conformance with Article III, to practice temporarily in other Compact States (Distant States) in which the psychologist is not licensed, as provided in the Compact.

B. To exercise the Temporary Authorization to Practice under the terms and provisions of this Compact, a psychologist licensed to practice in a Compact State must:

1. Hold a graduate degree in psychology from an institute of higher education that was, at the time the degree was awarded:

a. Regionally accredited by an accrediting body recognized by the U.S. Department of Education to grant graduate degrees, OR authorized by Provincial Statute or Royal Charter to grant doctoral degrees; or

b. A foreign college or university deemed to be equivalent to 1(a) above by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services (NACES) or by a recognized foreign credential evaluation service; and

2. Hold a graduate degree in psychology that meets the following criteria:

a. The program, wherever it may be administratively housed, must be clearly identified and labeled as a psychology program. Such a

program must specify in pertinent institutional catalogues and brochures its intent to educate and train professional psychologists;

b. The psychology program must stand as a recognizable, coherent, organizational entity within the institution;

c. There must be a clear authority and primary responsibility for the core and specialty areas whether or not the program cuts across administrative lines;

d. The program must consist of an integrated, organized sequence of study;

e. There must be an identifiable psychology faculty sufficient in size and breadth to carry out its responsibilities;

f. The designated director of the program must be a psychologist and a member of the core faculty;

g. The program must have an identifiable body of students who are matriculated in that program for a degree;

h. The program must include supervised practicum, internship, or field training appropriate to the practice of psychology;

i. The curriculum shall encompass a minimum of three (3) academic years of full-time graduate study for doctoral degrees and a minimum of one (1) academic year of full-time graduate study for master's degrees; and

j. The program includes an acceptable residency as defined by the Rules of the Commission.

3. Possess a current, full, and unrestricted license to practice psychology in a Home State which is a Compact State;

4. No history of adverse action that violate the Rules of the Commission;

5. No criminal record history that violates the Rules of the Commission;

6. Possess a current, active IPC;

7. Provide attestations in regard to areas of intended practice and work experience and provide a release of information to allow for primary source verification in a manner specified by the Commission; and

8. Meet other criteria as defined by the Rules of the Commission.

C. A psychologist practicing into a Distant State under the Temporary Authorization to Practice shall practice within the scope of practice authorized by the Distant State.

D. A psychologist practicing into a Distant State under the Temporary Authorization to Practice will be subject to the Distant State's authority and law. A Distant State may, in accordance with that state's due process law, limit or revoke a psychologist's Temporary Authorization to Practice in the Distant State and may take any other necessary actions under the Distant State's applicable law to protect the health and safety of the Distant State's citizens. If a Distant State takes action, the state shall promptly notify the Home State and the Commission.

E. If a psychologist's license in any Home State, another Compact State, or any Temporary Authorization to Practice in any Distant State, is restricted, suspended, or otherwise limited, the IPC shall be revoked and therefore the psychologist shall not be eligible to practice in a Compact State under the Temporary Authorization to Practice.

ARTICLE VI

CONDITIONS OF TELEPSYCHOLOGY PRACTICE IN A RECEIVING STATE

A psychologist may practice in a Receiving State under the Authority to Practice Interjurisdictional Telepsychology only in the performance of the scope of practice for psychology as assigned by an appropriate State Psychology Regulatory Authority, as defined in the Rules of the Commission, and under the following circumstances:

1. The psychologist initiates a client/patient contact in a Home State via telecommunications technologies with a client/patient in a Receiving State; or

2. Other conditions regarding telepsychology as determined by Rules promulgated by the Commission.

ARTICLE VII

ADVERSE ACTIONS

A. A Home State shall have the power to impose adverse action against a psychologist's license issued by the Home State. A Distant State shall have the power to take adverse action on a psychologist's Temporary Authorization to Practice within that Distant State.

B. A Receiving State may take adverse action on a psychologist's Authority to Practice Interjurisdictional Telepsychology within that Receiving State. A Home State may take adverse action against a psychologist based on an adverse action taken by a Distant State regarding temporary, in-person, face-to-face practice.

C. If a Home State takes adverse action against a psychologist's license, that psychologist's Authority to Practice Interjurisdictional Telepsychology is terminated and the E.Passport is revoked. Furthermore, that psychologist's Temporary Authorization to Practice is terminated and the IPC is revoked.

1. All Home State disciplinary orders which impose adverse action shall be reported to the Commission in accordance with the Rules promulgated by the Commission. A Compact State shall report adverse actions in accordance with the Rules of the Commission.

2. In the event discipline is reported on a psychologist, the psychologist will not be eligible for telepsychology or temporary, in-person, face-to-face practice in accordance with the Rules of the Commission.

3. Other actions may be imposed as determined by the Rules promulgated by the Commission.

D. A Home State's Psychology Regulatory Authority shall investigate and take appropriate action with respect to reported inappropriate conduct engaged in by a licensee which occurred in a Receiving State as it would if such conduct had occurred by a licensee within the Home State. In such cases, the Home State's law shall control in determining any adverse action against a psychologist's license.

E. A Distant State's Psychology Regulatory Authority shall investigate and take appropriate action with respect to reported inappropriate conduct engaged in by a psychologist practicing under Temporary Authorization Practice which occurred in that Distant State as it would if such conduct had occurred by a licensee within the Home State. In such cases, Distant State's law shall control in determining any adverse action against a psychologist's Temporary Authorization to Practice.

F. Nothing in this Compact shall override a Compact State's decision that a psychologist's participation in an alternative program may be used in lieu of adverse action and that such participation shall remain non-public if required by the Compact State's law. Compact States must require psychologists who enter any alternative programs to not provide telepsychology services under the Authority to Practice Interjurisdictional Telepsychology or provide temporary psychological services under the Temporary Authorization to Practice in any other Compact State during the term of the alternative program.

G. No other judicial or administrative remedies shall be available to a psychologist in the event a Compact State imposes an adverse action pursuant to subsection C, above.

ARTICLE VIII

ADDITIONAL AUTHORITIES INVESTED IN A COMPACT STATE'S PSYCHOLOGY REGULATORY AUTHORITY

A. In addition to any other powers granted under state law, a Compact State's Psychology Regulatory Authority shall have the authority under this Compact to:

1. Issue subpoenas, for both hearings and investigations, which require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a Compact State's Psychology Regulatory Authority for the attendance and testimony of witnesses, and/or the production of evidence from another Compact State shall be enforced in the latter state by any court of competent jurisdiction, according to that court's practice and procedure in considering subpoenas issued in its own proceedings. The issuing State Psychology Regulatory Authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses and/or evidence are located; and

2. Issue cease and desist and/or injunctive relief orders to revoke a psychologist's Authority to Practice Interjurisdictional Telepsychology and/or Temporary Authorization to Practice.

3. During the course of any investigation, a psychologist may not change his/her Home State licensure. A Home State Psychology Regulatory Authority is authorized to complete any pending investigations of a psychologist and to take any actions appropriate under its law. The Home State Psychology Regulatory Authority shall promptly report the conclusions of such investigations to the Commission. Once an investigation has been completed, and pending the outcome of said investigation, the psychologist may change his/her Home State licensure. The Commission shall promptly notify the new Home State of any such decisions as provided in the Rules of the Commission. All information provided to the Commission or distributed by Compact States pursuant to the psychologist shall be confidential, filed under seal, and used for investigatory or disciplinary matters. The Commission may create additional rules for mandated or discretionary sharing of information by Compact States.

ARTICLE IX

COORDINATED LICENSURE INFORMATION SYSTEM

A. The Commission shall provide for the development and maintenance of a Coordinated Licensure Information System (Coordinated Database) and reporting system containing licensure and disciplinary action information on all psychologists individuals to whom this Compact is applicable in all Compact States as defined by the Rules of the Commission.

B. Notwithstanding any other provision of state law to the contrary, a Compact State shall submit a uniform data set to the Coordinated Database on all licensees as required by the Rules of the Commission, including:

1. Identifying information;
2. Licensure data;
3. Significant investigatory information;
4. Adverse actions against a psychologist's license;
5. An indicator that a psychologist's Authority to Practice Interjurisdictional Telepsychology and/or Temporary Authorization to Practice is revoked;
6. Non-confidential information related to alternative program participation information;
7. Any denial of application for licensure, and the reasons for such denial; and
8. Other information which may facilitate the administration of this Compact, as determined by the Rules of the Commission.

C. The Coordinated Database administrator shall promptly notify all Compact States of any adverse action taken against, or significant investigative information on, any licensee in a Compact State.

D. Compact States reporting information to the Coordinated Database may designate information that may not be shared with the public without the express permission of the Compact State reporting the information.

E. Any information submitted to the Coordinated Database that is subsequently required to be expunged by the law of the Compact State reporting the information shall be removed from the Coordinated Database.

ARTICLE X

ESTABLISHMENT OF THE PSYCHOLOGY INTERJURISDICTIONAL COMPACT COMMISSION

A. The Compact States hereby create and establish a joint public agency known as the Psychology Interjurisdictional Compact Commission.

1. The Commission is a body politic and an instrumentality of the Compact States.

2. Venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

3. Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

B. Membership, Voting, and Meetings.

1. The Commission shall consist of one (1) voting representative appointed by each Compact State, who shall serve as that state's Commissioner. The State Psychology Regulatory Authority shall appoint its delegate. This delegate shall be empowered to act on behalf of the Compact State. This delegate shall be limited to:

a. Executive Director, Executive Secretary, or similar executive;

b. Current member of the State Psychology Regulatory Authority of a Compact State; or

c. Designee empowered with the appropriate delegate authority to act on behalf of the Compact State.

2. Any Commissioner may be removed or suspended from office as provided by the law of the state from which the Commissioner is appointed. Any vacancy occurring in the Commission shall be filled in accordance with the laws of the Compact State in which the vacancy exists.

3. Each Commissioner shall be entitled to one (1) vote with regard to the promulgation of Rules and creation of Bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission. A Commissioner shall vote in person or by such other means as provided in the Bylaws. The Bylaws may provide for Commissioners' participation in meetings by telephone or other means of communication.

4. The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the Bylaws.

5. All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Article XI.

6. The Commission may convene in a closed, non-public meeting if the Commission must discuss:

a. Non-compliance of a Compact State with its obligations under the Compact;

b. The employment, compensation, discipline or other personnel matters, practices, or procedures related to specific employees or other matters related to the Commission's internal personnel practices and procedures;

c. Current, threatened, or reasonably anticipated litigation against the Commission;

d. Negotiation of contracts for the purchase or sale of goods, services, or real estate;

e. Accusation against any person of a crime or formally censuring any person;

f. Disclosure of trade secrets or commercial or financial information which is privileged or confidential;

g. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

h. Disclosure of investigatory records compiled for law enforcement purposes;

i. Disclosure of information related to any investigatory reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility for investigation or determination of compliance issues pursuant to the Compact; or

j. Matters specifically exempted from disclosure by federal and state statute.

7. If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision. The Commission shall keep minutes which fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, of any person participating in the meeting, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and

documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the Commission or order of a court of competent jurisdiction.

C. The Commission shall, by a majority vote of the Commissioners, prescribe Bylaws and/or Rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of the Compact, including, but not limited to:

1. Establishing the fiscal year of the Commission;

2. Providing reasonable standards and procedures:

a. For the establishment and meetings of other committees; and

b. Governing any general or specific delegation of any authority or function of the Commission;

3. Providing reasonable procedures for calling and conducting meetings of the Commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of such meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals of such proceedings, and proprietary information, including trade secrets. The Commission may meet in closed session only after a majority of the Commissioners vote to close a meeting to the public in whole or in part. As soon as practicable, the Commission must make public a copy of the vote to close the meeting revealing the vote of each Commissioner with no proxy votes allowed;

4. Establishing the titles, duties, and authority and reasonable procedures for the election of the officers of the Commission;

5. Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the Commission. Notwithstanding any civil service or other similar law of any Compact State, the Bylaws shall exclusively govern the personnel policies and programs of the Commission;

6. Promulgating a Code of Ethics to address permissible and prohibited activities of Commission members and employees;

7. Providing a mechanism for concluding the operations of the Commission and the equitable disposition of any surplus funds that may exist after the termination of the Compact after the payment and/or reserving of all of its debts and obligations;

8. The Commission shall publish its Bylaws in a convenient form and file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the Compact States;

9. The Commission shall maintain its financial records in accordance with the Bylaws; and

10. The Commission shall meet and take such actions as are consistent with the provisions of this Compact and the Bylaws.

D. The Commission shall have the following powers:

1. The authority to promulgate uniform rules to facilitate and coordinate implementation and administration of this Compact. The rules shall have the force and effect of law and shall be binding in all Compact States;

2. To bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any State Psychology Regulatory Authority or other regulatory body responsible for psychology licensure to sue or be sued under applicable law shall not be affected;

3. To purchase and maintain insurance and bonds;

4. To borrow, accept, or contract for services of personnel, including, but not limited to, employees of a Compact State;

5. To hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the Compact, and to establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

6. To accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same; provided, that at all times the Commission shall strive to avoid any appearance of impropriety and/or conflict of interest;

7. To lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use, any property, real, personal, or mixed; provided, that at all times the Commission shall strive to avoid any appearance of impropriety;

8. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed;

9. To establish a budget and make expenditures;

10. To borrow money;

11. To appoint committees, including advisory committees comprised of Members, State regulators, State legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this Compact and the Bylaws;

12. To provide and receive information from, and to cooperate with, law enforcement agencies;

13. To adopt and use an official seal; and

14. To perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact consistent with the state regulation of psychology licensure, temporary in-person, face-to-face practice, and telepsychology practice.

E. The Executive Board.

The elected officers shall serve as the Executive Board, which shall have the power to act on behalf of the Commission according to the terms of this Compact.

1. The Executive Board shall be comprised of six (6) members:

a. Five (5) voting members who are elected from the current membership of the Commission by the Commission; and

b. One (1) ex-officio, nonvoting member from the recognized membership organization composed of State and Provincial Psychology Regulatory Authorities.

2. The ex-officio member must have served as staff or member on a State Psychology Regulatory Authority and will be selected by its respective organization.

3. The Commission may remove any member of the Executive Board as provided in Bylaws.

4. The Executive Board shall meet at least annually.

5. The Executive Board shall have the following duties and responsibilities:

a. Recommend to the entire Commission changes to the Rules or Bylaws, changes to this Compact legislation, fees paid by Compact States such as annual dues, and any other applicable fees;

b. Ensure Compact administration services are appropriately provided, contractual or otherwise;

c. Prepare and recommend the budget;

d. Maintain financial records on behalf of the Commission;

e. Monitor Compact compliance of member states and provide compliance reports to the Commission;

f. Establish additional committees as necessary; and

g. Other duties as provided in Rules or Bylaws.

F. Financing of the Commission.

1. The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

2. The Commission may accept any and all appropriate revenue sources, donations and grants of money, equipment, supplies, materials, and services.

3. The Commission may levy on and collect an annual assessment from each Compact State or impose fees on other parties to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Commission which shall promulgate a rule binding upon all Compact States.

4. The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the Compact States, except by and with the authority of the Compact State.

5. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its Bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

G. Qualified Immunity, Defense, and Indemnification.

1. The members, officers, Executive Director, employees, and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided, that nothing in this paragraph shall be construed to protect any such person from suit and/or liability for any damage, loss, injury, or liability caused by the intentional or willful, or wanton misconduct of that person.

2. The Commission shall defend any member, officer, Executive Director, employee, or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided, that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful, or wanton misconduct.

3. The Commission shall indemnify and hold harmless any member, officer, Executive Director, employee, or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment,

duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided, that the actual or alleged act, error, or omission did not result from the intentional or willful, or wanton misconduct of that person.

ARTICLE XI

RULEMAKING

A. The Commission shall exercise its rulemaking powers pursuant to the criteria set forth in this Article and the Rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

B. If a majority of the legislatures of the Compact States rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the Compact, then such rule shall have no further force and effect in any Compact State.

C. Rules or amendments to the rules shall be adopted at a regular or special meeting of the Commission.

D. Prior to promulgation and adoption of a final rule or Rules by the Commission, and at least sixty (60) days in advance of the meeting at which the rule will be considered and voted upon, the Commission shall file a Notice of Proposed Rulemaking:

1. On the website of the Commission; and

2. On the website of each Compact States' Psychology Regulatory Authority or the publication in which each state would otherwise publish proposed rules.

E. The Notice of Proposed Rulemaking shall include:

1. The proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

2. The text of the proposed rule or amendment and the reason for the proposed rule;

3. A request for comments on the proposed rule from any interested person; and

4. The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

F. Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

G. The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

1. At least twenty-five (25) persons who submit comments independently of each other;

2. A governmental subdivision or agency; or

3. A duly appointed person in an association that has at least twenty-five (25) members.

H. If a hearing is held on the proposed rule or amendment, the Commission shall publish the place, time, and date of the scheduled public hearing.

1. All persons wishing to be heard at the hearing shall notify the Executive Director of the Commission or other designated member in writing of their desire to appear and testify at the hearing not less than five (5) business days before the scheduled date of the hearing.

2. Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

3. No transcript of the hearing is required, unless a written request for a transcript is made, in which case the person requesting the transcript shall bear the cost of producing the transcript. A recording may be made in lieu of a

transcript under the same terms and conditions as a transcript. This subsection shall not preclude the Commission from making a transcript or recording of the hearing if it so chooses.

4. Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

I. Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission shall consider all written and oral comments received.

J. The Commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

K. If no written notice of intent to attend the public hearing by interested parties is received, the Commission may proceed with promulgation of the proposed rule without a public hearing.

L. Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided, that the usual rulemaking procedures provided in the Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than ninety (90) days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

1. Meet an imminent threat to public health, safety, or welfare;

2. Prevent a loss of Commission or Compact State funds;

3. Meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

4. Protect public health and safety.

M. The Commission or an authorized committee of the Commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of thirty (30) days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing, and delivered to the Chair of the Commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

ARTICLE XII

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

A. Oversight.

1. The Executive, Legislative, and Judicial branches of state government in each Compact State shall enforce this Compact and take all actions necessary and appropriate to effectuate the Compact's purposes and intent. The provisions of this Compact and the rules promulgated hereunder shall have standing as statutory law.

2. All courts shall take judicial notice of the Compact and the rules in any judicial or administrative proceeding in a Compact State pertaining to the subject matter of this Compact which may affect the powers, responsibilities, or actions of the Commission.

3. The Commission shall be entitled to receive service of process in any such proceeding, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the Commission shall render a judgment or order void as to the Commission, this Compact, or promulgated rules.

B. Default, Technical Assistance, and Termination.

1. If the Commission determines that a Compact State has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall:

a. Provide written notice to the defaulting state and other Compact States of the nature of the default, the proposed means of remedying the default and/or any other action to be taken by the Commission; and

b. Provide remedial training and specific technical assistance regarding the default.

2. If a state in default fails to remedy the default, the defaulting state may be terminated from the Compact upon an affirmative vote of a majority of the Compact States, and all rights, privileges, and benefits conferred by this Compact shall be terminated on the effective date of termination. A remedy of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

3. Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be submitted by the Commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the Compact States.

4. A Compact State which has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations which extend beyond the effective date of termination.

5. The Commission shall not bear any costs incurred by the state which is found to be in default or which has been terminated from the Compact, unless agreed upon in writing between the Commission and the defaulting state.

6. The defaulting state may appeal the action of the Commission by petitioning the U.S. District Court for the state of Georgia or the federal district where the Compact has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney's fees.

C. Dispute Resolution.

1. Upon request by a Compact State, the Commission shall attempt to resolve disputes related to the Compact which arise among Compact States and between Compact and Non-Compact States.

2. The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes that arise before the commission.

D. Enforcement.

1. The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and Rules of this Compact.

2. By majority vote, the Commission may initiate legal action in the United States District Court for the state of Georgia or the federal district where the Compact has its principal offices against a Compact State in default to enforce compliance with the provisions of the Compact and its promulgated Rules and Bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney's fees.

3. The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or state law.

ARTICLE XIII

DATE OF IMPLEMENTATION OF THE PSYCHOLOGY INTERJURISDICTIONAL COMPACT COMMISSION AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENTS

A. The Compact shall come into effect on the date on which the Compact is enacted into law in the seventh Compact State. The provisions which become effective at that time shall be limited to the powers granted to the Commission relating to assembly and the promulgation of rules. Thereafter, the Commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the Compact.

B. Any state which joins the Compact subsequent to the Commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the Compact becomes law in that state. Any rule which has been previously adopted by the Commission shall have the full force and effect of law on the day the Compact becomes law in that state.

C. Any Compact State may withdraw from this Compact by enacting a statute repealing the same.

1. A Compact State's withdrawal shall not take effect until six (6) months after enactment of the repealing statute.

2. Withdrawal shall not affect the continuing requirement of the withdrawing state's Psychology Regulatory Authority to comply with the investigative and adverse action reporting requirements of this act prior to the effective date of withdrawal.

D. Nothing contained in this Compact shall be construed to invalidate or prevent any psychology licensure agreement or other cooperative arrangement between a Compact State and a Non-Compact State which does not conflict with the provisions of this Compact.

E. This Compact may be amended by the Compact States. No amendment to this Compact shall become effective and binding upon any Compact State until it is enacted into the law of all Compact States.

ARTICLE XIV

CONSTRUCTION AND SEVERABILITY

This Compact shall be liberally construed so as to effectuate the purposes thereof. If this Compact shall be held contrary to the constitution of any state member thereto, the Compact shall remain in full force and effect as to the remaining Compact States.

63-11-403. Rulemaking.

The department of health, in consultation with the board of examiners in psychology, may promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to implement this part.

63-11-404. Effective date of compact; notice to revisor of statutes.

This part takes effect on the date the compact is enacted into law in the seventh compact state. The board of examiners in psychology shall notify the revisor of statutes in writing when the condition specified in this section has occurred.

SECTION 2. The headings to sections in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

House Facilities, Licensure, & Regulations Subcommittee Am. #1

Amendment No._____

_____

Signature of Sponsor

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

AMEND Senate Bill No. 2334* **House Bill No. 2454**

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 68, is amended by adding the following as a new chapter:

68-7-101. This chapter shall be known and may be cited as the "Tennessee Clinical Cannabis Authorization and Research Act."

68-7-102. As used in this chapter:

(1) "Allowable amount" means the amount of usable clinical cannabis product based on levels of THC and measured in milligrams that may be dispensed to or for a qualifying patient in a thirty-day period;

(2) "Authorized form of cannabis" or "authorized form" means a clinical cannabis product produced in a form approved by the commission for dispensing to a cardholder;

(3) "Bona fide practitioner-patient relationship" means a practitioner and patient have a treatment or consulting relationship, during the course of which the practitioner has completed an assessment of the patient's medical history and current medical condition, including an appropriate examination and confirmation of the patient having a debilitating medical condition;

(4) "Cannabis":

(A) Means all parts of the plant cannabis, whether growing or not; the seeds of the plant; any clones of the plant; the resin extracted from any part of the plant; and every compound, processing, salt, derivative, mixture, or preparation of the plant; and

(B) Does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from the mature stalks, fiber, oil, or cake, or the sterilized seeds of the plant that are incapable of germination; or hemp as defined in § 43-27-101 or hemp-based products;

(5) "Cardholder" means a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card;

(6) "Clinical cannabis center" means a facility licensed by the commission to acquire, possess, store, transport, sell, or dispense clinical cannabis products, clinical cannabis devices, and related supplies and educational materials to cardholders;

(7) "Clinical cannabis device" means a device or product, including paraphernalia, used for, or to aid in, the administering of doses of clinical cannabis product;

(8) "Clinical cannabis establishment" means a clinical cannabis center, cultivation facility, independent testing facility, integrated facility, processing facility, or other clinical cannabis entity authorized to operate pursuant to a license issued by the commission;

(9) "Clinical cannabis product":

(A) Means cannabis oil, cannabis extract, or a product that is infused with cannabis oil or cannabis extract and intended for use or consumption in a recognized clinical modality;

(B) Includes nasal sprays, capsules, pills, suppositories, transdermal patches, ointments, lotions, lozenges, tinctures, oils, and liquids; and

(C) Does not include vape or vaporization pens or cartridges, gummies, candy, candy bars, or products in a form that a reasonable person would consider as marketed or appealing to children;

(10) "Clinical license" means a license issued in accordance with § 68-7-105 for a single operation of a clinical cannabis center;

(11) "Clinical use":

(A) Includes the acquisition, administration, cultivation, manufacture, processing, delivery, harvest, possession, preparation, transfer, transportation, or use of cannabis, clinical cannabis product, or a clinical cannabis device relating to the administration of clinical cannabis product to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition; and

(B) Does not include:

(i) The cultivation of cannabis performed outside of a cultivation facility or integrated facility; or

(ii) The use of cannabis in a form that is not an authorized form;

(12) "Commission" means the clinical cannabis commission, created by § 68-7-401;

(13) "Cultivation facility" means a facility licensed by the commission to cultivate, transport, supply, store, sell, and deliver cannabis;

(14) "Cultivation license" means a license issued in accordance with § 68-7-105 for a single operation of a cultivation facility with a grow area not to exceed five thousand square feet (5,000 sq. ft.); except, that the commission, in its discretion, may issue a license for a single operation of a cultivation facility with a grow area not to exceed ten thousand square feet (10,000 sq. ft.) based on market and patient demand;

(15) "Debilitating medical condition" means:

(A) Cancer;

(B) Human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS);

(C) Hepatitis C;

(D) Amyotrophic lateral sclerosis (ALS);

(E) Post-traumatic stress disorder (PTSD);

(F) Alzheimer's disease;

(G) Severe arthritis;

(H) Inflammatory bowel disease, including Crohn's disease and ulcerative colitis;

(I) Multiple sclerosis;

(J) Parkinson's disease;

(K) Cerebral palsy;

(L) Tourette syndrome;

(M) Sickle cell anemia;

(N) A chronic or debilitating disease or medical condition with a confirmation of diagnosis, or the treatment of such disease or condition, that produces one (1) or more of the following:

(i) Cachexia or wasting syndrome;

(ii) Peripheral neuropathy;

(iii) Chronic pain;

(iv) Severe nausea;

(v) Seizures, including those characteristic of epilepsy; or

(vi) Severe or persistent muscle spasms;

(O) Neurological, mental, emotional, or behavioral disorders and associated disorders that interfere with mental health; and

(P) Any other medical condition approved by the commission in response to a request from a person or entity issued a research license, practitioner, or potentially qualifying patient or a proposal initiated by a member of the commission;

(16) "Department" means the department of agriculture;

(17) "Designated caregiver" means a person who meets the requirements of § 68-7-202;

(18) "Disqualifying felony offense" means:

(A) A violent offense, as classified by § 40-35-120(b); or

(B) A violation of a state or federal controlled substances law that was classified as a felony in the jurisdiction where the person was convicted, not including:

(i) An offense for which the sentence, including any term of probation, incarceration, or supervised release, was completed five (5) or more years earlier; or

(ii) An offense that consisted of conduct that is not an offense under this chapter, but the conduct either occurred prior to the enactment of this chapter or was prosecuted by an authority other than the state of Tennessee;

(19) "Establishment agent" means an owner, officer, board member, employee, or agent of a clinical cannabis establishment;

(20) "Establishment agent registration card" or "registration card" means a registration card that is issued by the commission to authorize a person to work at a clinical cannabis establishment;

(21) "Healthcare facility" means a facility licensed to provide health or medical care under title 33 or this title;

(22) "Independent testing facility" means an independent testing laboratory issued a testing license by the commission to analyze the safety and potency of cannabis or clinical cannabis products, including any quality variance standards established by the commission;

(23) "Integrated facility" means a facility licensed in accordance with § 68-7-105 for a vertically integrated enterprise to cultivate, prepare, manufacture, process,

package, transport, supply, store, sell, and deliver cannabis, a clinical cannabis product, or a clinical cannabis device to a clinical cannabis center, integrated facility, or processing facility;

(24) "License" means a license issued by the commission that authorizes the license holder to conduct a cannabis-related activity or operate a clinical cannabis establishment;

(25) "Nonresident card" means a card or other identification that is issued by a state or jurisdiction other than Tennessee;

(26) "Nonresident cardholder" means a person who is issued a valid nonresident card as described in § 68-7-116;

(27) "Practitioner" means a physician who is licensed to practice medicine in this state pursuant to title 63, chapter 6, or osteopathic medicine in this state pursuant to title 63, chapter 9;

(28) "Processing facility" means a facility licensed by the commission to prepare, manufacture, process, package, transport, supply, store, sell, and deliver cannabis, a clinical cannabis product, or a clinical cannabis device;

(29) "Processing license" means a license issued in accordance with § 68-7-105 for a single operation of a processing facility;

(30) "Qualified pharmacist" means a pharmacist licensed pursuant to title 63, chapter 10, who is registered with the commission and completes at least two (2) hours of continuing education on clinical cannabis biennially;

(31) "Qualifying patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition and who meets the requirements of § 68-7-201;

(32) "Registry identification card" means a card issued by the commission that identifies a person as a registered qualifying patient or registered designated caregiver;

(33) "Secure facility" means a building, greenhouse, warehouse, room, or fenced, outdoor area that is equipped with locks or other security devices that restricts access to only an authorized clinical cannabis establishment agent or other person authorized by law;

(34) "THC" means delta-9-tetrahydrocannabinol, which is a primary active ingredient in cannabis for clinical use;

(35) "Vertically integrated license" means a license issued in accordance with § 68-7-105 for a vertically integrated enterprise consisting of one (1) integrated facility and at least one (1) but no more than five (5) clinical cannabis centers; and

(36) "Written certification" means a standardized form promulgated by the commission that is completed, dated, and signed by a practitioner that:

(A) Affirms that the certification is made in the course of a bona fide practitioner-patient relationship; and

(B) Specifies the qualifying patient's debilitating medical condition.

68-7-103.

(a) A clinical cannabis establishment shall not operate in this state unless the clinical cannabis establishment holds a license or licenses issued by the commission applicable to the establishment's operations. In order to expeditiously commence the provision of licenses and in recognition of the time necessary to construct, secure, and cultivate clinical cannabis establishments, the commission shall begin accepting applications on October 1, 2020, and continue accepting calendar year 2021 applications until July 31, 2021. A license may be conditionally approved but shall not be finally approved or denied until after an onsite inspection of facilities pursuant to rules promulgated by the commission. The commission shall accept applications in subsequent years on a time schedule set forth in rules promulgated by the commission.

(b) To be eligible for a license, a person or entity must submit the license fee described in § 68-7-107 and an application to the commission in a form prescribed by the commission that meets the following conditions:

(1) The application must identify the type of license being sought;

(2) The application must identify the legal name of the clinical cannabis establishment, including any doing business as (d/b/a) designations used in this state;

(3) The application must identify all owners, officers, and board members of the clinical cannabis establishment, who must:

(A) Not have been convicted of any felony offense;

(B) Not have served as an owner, officer, or board member for a clinical cannabis establishment that has had its clinical cannabis establishment license revoked;

(C) Not have previously had a clinical cannabis establishment agent registration card revoked;

(D) Be twenty-one (21) years of age or older; and

(E) Provide the person's name, address, and date of birth to the commission;

(4) The application must identify the physical address where the clinical cannabis establishment will be located, and the address must:

(A) Be located in a jurisdiction in which the presence of the type of clinical cannabis establishment being proposed is permitted in accordance with § 68-7-106; and

(B) Meet applicable local zoning requirements;

(5) The application must include evidence that the owner of the real property on which the clinical cannabis establishment will be located has given express permission to operate the establishment at that location;

(6) The application must include evidence that the applicant controls the minimum liquid assets requirements of § 68-7-105, to cover initial expenses of opening the clinical cannabis establishment and complying with this chapter. This subdivision (b)(6) does not apply to any application for an independent testing facility or a research license;

(7) The application must include operating procedures for the clinical cannabis establishment that are consistent with the commission's rules. The procedures must include:

(A) Procedures to ensure adequate security;

(B) The use of an inventory control system and an electronic verification system in accordance with §§ 68-7-113 and 68-7-114; and

(C) If the clinical cannabis establishment will process, manufacture, sell, or deliver clinical cannabis products, operating procedures for handling those products, which must be approved by the commission; and

(8) Any other information as the commission may require by rule.

(c)

(1) Each person who submits an application pursuant to this section, and each person who is to be an owner, officer, or board member of a clinical cannabis establishment, shall:

(A) Supply a fingerprint sample and submit to a criminal history records check to be conducted by the Tennessee bureau of investigation and the federal bureau of investigation; and

(B) Agree that the Tennessee bureau of investigation may send information indicating the results of the criminal history records check to the commission and the owner or board of the clinical cannabis establishment.

(2) The applicant shall pay any reasonable costs incurred by the Tennessee bureau of investigation or federal bureau of investigation, or both, in conducting an investigation of the applicant. The assessed costs must not exceed those assessed for other criminal history records checks required by law. A clinical cannabis establishment may reimburse the applicant for the costs of the investigation.

(d) The commission shall issue licenses in accordance with § 68-7-105. Meeting the criteria of this section does not grant any person or entity a right to a license.

(e) A person or entity may be issued one (1) or more licenses and own or operate one (1) or more clinical cannabis establishments regardless of the type of clinical cannabis establishment subject to the following:

(1) A person or entity who is serving as an owner or operator of a cultivation facility, processing facility, integrated system, or clinical cannabis center may not own or operate an independent testing facility;

(2) A holder of a vertically integrated license, nor any person or entity having any interest in the license greater than ten percent (10%), shall not have any interest as partner or otherwise, either direct or indirect, in any other vertically integrated license; and

(3) A person or entity seeking to obtain more than one (1) type of license or own or operate more than one (1) clinical cannabis establishment must submit to the commission the application described in subsection (b) and the license fee described in § 68-7-107 for each license type sought. A single fingerprint sample and criminal history records check may be used for multiple applications.

(f) A license expires one (1) year after the date of issuance and shall be renewed upon:

(1) Resubmission of the information set forth in this section; except, that fingerprints are not required to be resubmitted; and

(2) Payment of the renewal fee described in § 68-7-107.

68-7-104. Each clinical cannabis establishment must:

(1) Comply with applicable local ordinances and regulations pertaining to zoning, land use, and signage; and

(2) Notify the commission of any change in circumstance for any information required pursuant to § 68-7-103.

68-7-105.

(a)

(1) The commission is responsible for accepting applications for licenses. The commission shall publish application requirements and submission dates on its website.

(2) In order to facilitate timely implementation of this chapter, the commission must complete all initial rulemaking no later than October 1, 2020, including, at a minimum, rules for application forms, written certification forms, research license forms, facility operation and security requirements, and objective criteria and prioritization for issuing licenses across the three (3) grand divisions as set forth in this chapter. Rules may be amended and supplemented thereafter as the commission deems necessary.

(3) The commission shall act on each completed application received in accordance with this subsection (a) within ninety (90) days of receipt.

(4) An applicant who submits an application in accordance with this subsection (a) and whose application for a license is denied may appeal the denial in accordance with procedures established by the commission by rules promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b)

(1) The commission shall not issue a license to an applicant unless the applicant meets all the requirements of this chapter.

(2) In evaluating a license application, the commission shall consider:

(A) Whether the applicant provided a plain narrative describing the type of operation and general business plan;

(B) Whether the applicant has liquid and illiquid financial resources sufficient to meet at least two (2) years of operating expenses for the proposed clinical cannabis establishment;

(C) The previous experience of the owners, officers, or board members of the clinical cannabis establishment at operating other businesses or organizations;

(D) The vocational or professional background of the owners, officers, or board members;

(E) Any demonstrated knowledge or expertise on the part of the owners, officers, or board members with respect to cannabis or clinical cannabis products;

(F) Whether the location of the clinical cannabis establishment would be convenient to serve the needs of qualifying patients and designated caregivers;

(G) The adequacy of the size of the clinical cannabis establishment to serve the needs of qualifying patients and designated caregivers;

(H) The type of integrated plan for the care, quality, and safekeeping of cannabis and clinical cannabis products from seed to sale;

(I) Where clinical cannabis establishments are located in each grand division and throughout the state; and

(J) Any other criteria of merit that the commission determines to be relevant.

(c) Each license issued must have a unique identification number.

(d) In addition to subsections (a)-(c) and in accordance with rules promulgated by the commission, the commission shall use the following procedures and criteria to award licenses:

(1) The commission shall issue licenses in the following numbers; provided, that the commission shall not issue a license to an applicant unless the applicant meets all of the requirements of this chapter:

(A) For each of the three (3) grand divisions, at least fifteen (15), but no more than twenty-five (25), clinical licenses;

(B) At least three (3), but no more than six (6), cultivation licenses;

(C) For each of the three (3) grand divisions, at least two (2), but no more than three (3), vertically integrated licenses; and

(D) Processing licenses as determined by the commission, but not more than one hundred ten (110) processing licenses;

(2) The commission shall make a decision on any qualifying application as expeditiously as possible;

(3) To ensure geographic representation and broad access to clinical cannabis products, the commission shall prioritize the issuance of clinical licenses so that clinical cannabis centers are dispersed throughout rural and urban counties;

(4) The commission shall give additional consideration as to whether the county where the proposed clinical cannabis establishment being applied for is located in, first, an economically distressed county or, second, in an at-risk

county as determined by the department of economic and community development for the most recent fiscal year;

(5) Applicants for cultivation licenses, processing licenses, clinical licenses, and vertically integrated licenses must comply with the following requirements:

(A) An individual applicant for a cultivation license, processing license, clinical license, or vertically integrated license must be a natural person:

(i) Is at least twenty-one (21) years of age;

(ii) Is a current resident of this state;

(iii) Has not previously held a license for a clinical cannabis center, cultivation facility, integrated facility, or processing facility that has been revoked;

(iv) Has not been convicted of a felony offense;

(v) If possessing a professional license, has the license in good standing; and

(vi) Has no outstanding tax delinquencies owed to the state of Tennessee;

(B) An applicant for a cultivation license, processing license, clinical license, or vertically integrated license that is an entity must have a natural person acting on behalf of the applicant who:

(i) Complies with subdivision (d)(5)(A);

(ii) Is legally authorized to submit an application on behalf of the entity;

(iii) Serves as the primary point of contact with the commission; and

(iv) Submits sufficient proof that:

(*a*) The entity has no owner, board member, or officer under twenty-one (21) years of age;

(*b*) Fifty-one percent (51%) of the equity ownership interests in the entity are held by individuals who are residents of this state;

(*c*) The entity has no owner, board member, or officer that has previously been an owner of a clinical cannabis center, cultivation facility, integrated facility, or processing facility that has had its license revoked;

(*d*) The entity has no owner, board member, or officer that has been convicted of a felony offense;

(*e*) If an owner, board member, or officer has or had a professional license, the person's license is in good standing;

(*f*) The entity has no owner, board member, or officer that owes delinquent taxes to the state of Tennessee; and

(*g*) The entity has owners with experience in managing and securing large quantities of cash and experience in regulated industries;

(C) Applicants for a clinical license, cultivation license, and processing license shall provide:

(i) Proof of assets or a surety bond in the amount of two million dollars ($2,000,000); and

(ii) Proof of at least one million dollars ($1,000,000) in liquid assets; and

(D) Applicants for a vertically integrated license shall provide:

(i) Proof of assets or a surety bond in the amount of ten million dollars ($10,000,000); and

(ii) Proof of at least five million dollars ($5,000,000) in liquid assets; and

(6)

(A) Each vertically integrated license recipient is authorized to operate up to five (5) clinical cannabis centers under one (1) vertically integrated license, but is only required to operate one (1); and

(B) The integrated facility and at least one (1) clinical cannabis center associated with a vertically integrated license must be operated within the same grand division unless a waiver is obtained from the commission. Any additional clinical cannabis centers associated with the vertically integrated license may be operated in the same grand division or any county in the state, subject to this chapter.

68-7-106.

(a) The cultivation of clinical cannabis, the production of clinical cannabis product, and the dispensing of clinical cannabis product by appropriately licensed clinical cannabis establishments is authorized within the jurisdictional boundaries of each county and municipality of this state.

(b) The legislative body of any county or municipality may enact reasonable zoning regulations applicable to clinical cannabis establishments; provided, that the regulations must not be more burdensome than those applicable to pharmacies and medical offices.

(c)

(1) Except as provided in subdivision (c)(2), the legislative body of any county or municipality may, at any time, opt out of subsection (a) and restrict the establishment of any cultivation facility, processing facility, integrated facility, or

clinical cannabis center within its jurisdictional boundaries in accordance with subsection (d); provided, that any action by a county legislative body is limited to the unincorporated areas of the county.

(2) Any action taken by the legislative body of a county or municipality in accordance with subsections (d) and (e) does not restrict the establishment or operation of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within its jurisdictional boundaries if the facility or center is licensed or conditionally licensed by the commission prior to the restrictive action.

(d)

(1) The legislative body of any county may opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within the unincorporated areas of the county by passage of a resolution.

(2) The legislative body of any municipality or any county with a metropolitan form of government may opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within its jurisdictional boundaries by passage of an ordinance.

(3) A resolution or ordinance authorizing opt-out pursuant to subdivision (d)(1) or (d)(2) does not take effect unless it is approved by a two-thirds (2/3) majority vote of the appropriate legislative body at two (2) consecutive, regularly scheduled meetings or unless it is approved by a majority of the number of qualified voters of the county or municipality voting in an election held in accordance with subsection (e) on the question of whether the opt-out should be authorized.

(e)

(1) If there is a petition of registered voters amounting to ten percent (10%) of the votes cast in the county or municipality in the last gubernatorial election that is filed with the county election commission within thirty (30) days of final approval of a resolution described in subdivision (d)(1) or an ordinance described in subdivision (d)(2), then the county election commission shall call an election on the question of whether the county or municipality should opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, integrated facility, or clinical cannabis center within its jurisdictional boundaries.

(2) The local governing body shall direct the county election commission to call the election to be held in a regular election or in a special election for the purpose of approving or rejecting an opt-out.

(3) The ballots used in the election must have printed on them the substance of the resolution or ordinance and the voters must vote for or against its approval by majority vote.

(4) The votes cast on the question must be canvassed and the results proclaimed by the county election commission and certified by it to the local governing body.

(f)

(1) Any county or municipality that has previously opted out under this section may opt in at a later date by passage of a resolution or ordinance by a majority vote at two (2) consecutive, regularly scheduled meetings or in accordance with subdivision (f)(2).

(2)

(A) The county election commission shall call and hold an election at the next regular election of the county or municipality, as the case may be, upon receipt of a petition not less than sixty (60) days

before the date on which an election is scheduled to be held, signed by residents of the county or municipality, amounting to ten percent (10%) of the votes cast in the county or municipality in the last gubernatorial election, requesting the holding of the election.

(B)

(i) The petition must be addressed to the county election commission and must read substantially as follows:

We, registered voters of _____ (Here insert name of county or municipality, as appropriate), do hereby request the holding of a local option election to authorize the establishment of a [licensed cultivation facility, licensed processing facility, licensed integrated facility, or licensed clinical cannabis center] within the [county or municipal] jurisdictional boundaries.

(ii) The petition must also contain:

(a) The signatures and addresses of registered voters only, pursuant to § 2-1-107;

(b) The printed name of each signatory; and

(c) The date of signature.

(C) An election called and held in a county applies only to those portions lying without the corporate limits of any municipality within the county. Petitioners for the election and the voters participating in the election must reside within the portions of the county lying outside the corporate limits of municipalities.

(D)

(i) Registered voters of the county or municipality, as appropriate, may vote in the election. Ballots must be in the form

prescribed by the general election laws of the state, except as otherwise provided in this section.

(ii) The questions submitted to the voters must be in the following form:

To authorize the establishment of a [licensed cultivation facility, licensed processing facility, licensed integrated facility, or licensed clinical cannabis center] in _____ (Here insert name of county or municipality)

To prohibit the establishment of a [licensed cultivation facility, licensed processing facility, licensed integrated facility, or licensed clinical cannabis center] in _____ (Here insert name of county or municipality)

(E)

(i) The county election commission shall certify the results to the appropriate local governing body.

(ii) Not more than one (1) election in any county or municipality is authorized to be held under this chapter within any period of twenty-four (24) months. However, no election in a county in which a municipality is located is an election held in the municipality within the meaning of this subdivision (f)(2).

(g) Except as otherwise provided by this section, a clinical cannabis establishment is authorized within the jurisdictional boundaries of each county and municipality of this state.

68-7-107.

(a) The commission shall establish a schedule of fees as follows, as long as the renewal fees in aggregate do not exceed the commission's costs in administering the state's clinical cannabis program, including any expenses related to research:

(1) For a clinical license, a nonrefundable application fee in the amount of ten thousand dollars ($10,000), and an annual licensing renewal fee established by the commission in an amount not to exceed ten thousand dollars ($10,000);

(2) For a cultivation license, a nonrefundable application fee in the amount of fifty thousand dollars ($50,000), and an annual licensing renewal fee established by the commission in an amount not to exceed fifty thousand dollars ($50,000);

(3) For a processing license, a nonrefundable application fee in the amount of fifty thousand dollars ($50,000), and an annual licensing renewal fee established by the commission in an amount not to exceed fifty thousand dollars ($50,000);

(4) For a vertically integrated license, a nonrefundable application fee in the amount of one hundred thousand dollars ($100,000), and an annual licensing renewal fee established by the commission in an amount not to exceed one hundred thousand dollars ($100,000);

(5) For a testing license, a nonrefundable application fee in the amount of one thousand dollars ($1,000), and an annual licensing renewal fee established by the commission in an amount not to exceed one thousand dollars ($1,000);

(6) For a research license, a nonrefundable application fee in the amount of one thousand dollars ($1,000), and an annual licensing renewal fee established by the commission in an amount not to exceed one thousand dollars ($1,000); and

(7) For a clinical cannabis establishment agent registration card, a nonrefundable application fee in the amount of fifty dollars ($50.00), and an annual licensing renewal fee established by the commission in an amount not to exceed fifty dollars ($50.00).

(b) The commission shall review the fee schedule and its administrative costs every two (2) years and reschedule renewal fees as necessary to ensure compliance with the requirement that the renewal fees in aggregate do not exceed the commission's costs in administering the state's clinical cannabis program. Any rescheduled renewal fees become effective the next January 1 after promulgation.

(c) The scheduling and rescheduling of renewal fees in accordance with this section must be done pursuant to rulemaking procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

68-7-108.

(a) Except as otherwise provided in this section, a person shall not work at a clinical cannabis establishment as a clinical cannabis establishment agent unless the person is registered with the commission pursuant to this section.

(b) A clinical cannabis establishment that wishes to employ a clinical cannabis establishment agent must submit to the commission an application on a form prescribed by the commission. The application must be accompanied by:

(1) The name, address, and date of birth of the prospective clinical cannabis establishment agent;

(2) A statement signed by the prospective clinical cannabis establishment agent pledging not to dispense or otherwise divert cannabis to any person who is not authorized to possess cannabis in accordance with this chapter;

(3) A statement signed by the prospective clinical cannabis establishment agent asserting that the prospective agent has not previously had a clinical cannabis establishment agent registration card revoked;

(4) The license fee described in § 68-7-107; and

(5) Any other information as the commission may require by rule.

(c) The following criteria disqualify a person from serving as a clinical cannabis establishment agent:

(1) Being younger than twenty-one (21) years of age; or

(2) Having been convicted of any felony offense.

(d)

(1) A person applying for employment as a clinical cannabis establishment agent must:

(A) Supply a fingerprint sample and submit to a criminal history records check to be conducted by the Tennessee bureau of investigation and the federal bureau of investigation; and

(B) Agree that the Tennessee bureau of investigation may send information indicating the results of the criminal history records check to the commission and the clinical cannabis establishment.

(2) The applicant shall pay any reasonable costs incurred by the Tennessee bureau of investigation or federal bureau of investigation, or both, in conducting an investigation of the applicant. A clinical cannabis establishment may reimburse the applicant for the costs of the investigation regardless of whether the applicant accepts an offer of employment by the clinical cannabis establishment.

(e) An owner, officer, or board member of a clinical cannabis establishment who previously furnished information and fingerprints pursuant to § 68-7-103 is not required to resubmit the information or fingerprints under this section.

(f)

(1) If an applicant for registration as a clinical cannabis establishment agent complies with this section and is not disqualified from serving as an agent, then the commission shall issue to the person a clinical cannabis establishment agent registration card.

(2) If the commission does not act upon an application for a clinical cannabis establishment agent registration card within thirty (30) days after the date on which the application is received, then the application is deemed conditionally approved until such time as the commission acts upon the application.

(g) A clinical cannabis establishment agent registration card expires one (1) year after the date of issuance and shall be renewed upon:

(1) Resubmission of the information set forth in this section; provided, that fingerprints are not required to be resubmitted; and

(2) Payment of the renewal fee described in § 68-7-107.

(h) Notwithstanding subsection (b), a person may submit an application for registration as a clinical cannabis establishment agent independent of a clinical cannabis establishment. A clinical cannabis establishment that hires a person registered as a clinical cannabis establishment agent is not required to submit a new application for the agent.

(i) A clinical cannabis establishment shall notify the commission no later than ten (10) days after a clinical cannabis establishment agent whose employment is terminated for cause and involving theft, fraud, diversion, or other criminal activity.

68-7-109.

(a) Cultivation licenses, processing licenses, clinical licenses, and vertically integrated licenses are nontransferable for a period of two (2) years after the license was issued by the commission. The commission may adopt rules prescribing the manner in which a license may be transferred and a fee for the transfer of the license.

(b) Clinical cannabis establishment agent registration cards are nontransferable. An existing clinical cannabis establishment agent registration card may only be reissued outside of the application process described in § 68-7-108 to reflect a change in ownership of the clinical cannabis establishment.

68-7-110.

(a) A person shall not transport cannabis or a clinical cannabis product on any public highway unless the person is an agent of a clinical cannabis center, cultivation facility, integrated facility, or processing facility transporting the cannabis or clinical cannabis products.

(b) Cannabis or a clinical cannabis product transported on a public highway must comply with all inventory tracking rules promulgated by the commission, including any relevant packaging, labeling, and seals.

(c) This section does not apply to an allowable amount of clinical cannabis products in the possession of a cardholder or to law enforcement officers in performance of their duties.

68-7-111.

(a) The following are grounds for the commission to revoke a license:

(1) Dispensing, delivering, or otherwise transferring cannabis to a person other than a clinical cannabis establishment agent, another clinical cannabis establishment, a person or entity issued a research license, a patient who holds a valid registry identification card, or the designated caregiver of the patient;

(2) Acquiring usable cannabis or mature cannabis plants from any person other than a clinical cannabis establishment agent or another clinical cannabis establishment;

(3) Dispensing an unauthorized form of cannabis or clinical cannabis product to a qualifying patient or designated caregiver; or

(4) Violating a rule promulgated pursuant to this chapter; provided, that the rule, expressly or by reference, provides that a violation of the rule is grounds for revocation of a clinical cannabis establishment license.

(b) The following are grounds for the commission to revoke a clinical cannabis establishment agent registration card:

(1) Conviction of a felony offense;

(2) Dispensing, delivering, or otherwise transferring cannabis to a person other than a clinical cannabis establishment agent, a person or entity issued a research license, another clinical cannabis establishment, a patient who holds a valid registry identification card, or the designated caregiver of the patient;

(3) Dispensing an unauthorized form of cannabis or clinical cannabis product to a qualifying patient or designated caregiver; or

(4) Violating a rule promulgated pursuant to this chapter if the rule, expressly or by reference, provides that a violation of the rule is grounds for revocation of a clinical cannabis establishment agent registration card.

(c) The licensure of clinical cannabis establishments and registration of clinical cannabis establishment agents is to protect the public health and safety and the general welfare of the people of this state. A license issued pursuant to § 68-7-105 and a clinical cannabis establishment agent registration card issued pursuant to § 68-7-108 are revocable privileges, and the holder of the license or registration card, as applicable, does not acquire a vested right in the license or registration card.

68-7-112.

(a) The operating documents of a clinical cannabis establishment must include procedures:

(1) For the oversight of the clinical cannabis establishment;

(2) To ensure accurate recordkeeping, including the requirements of §§ 68-7-113 and 68-7-114; and

(3) Supporting good agricultural practices and good manufacturing practices, as applicable.

(b) A clinical cannabis establishment must have a system of physical controls to deter and prevent theft of clinical cannabis products and unauthorized entrance into areas containing clinical cannabis products.

(c) A clinical cannabis establishment is prohibited from acquiring, possessing, cultivating, manufacturing, processing, delivering, transferring, transporting, supplying, or dispensing cannabis for any purpose except to:

(1) Directly or indirectly assist qualifying patients who possess valid registry identification cards; and

(2) Directly or indirectly assist qualifying patients who possess valid registry identification cards by way of those patients' designated caregivers.

(d) All cultivation or production of cannabis that a cultivation facility, integrated facility, or processing facility carries out or causes to be carried out must take place at a secure facility at the physical address provided to the commission during the licensure process for the cultivation facility, integrated facility, or processing facility. The secure facility must be accessible only by clinical cannabis establishment agents who are lawfully associated with the cultivation facility, integrated facility, or processing facility. However, limited access by persons necessary to perform maintenance, construction, or repairs or provide other labor is permissible if the persons are supervised by a clinical cannabis establishment agent.

(e) Clinical cannabis establishments are subject to reasonable inspection by or on behalf of the commission at any time, and a person or entity that holds a clinical cannabis establishment license must be available, or make a representative of the establishment available, and present for any inspection of the establishment by or on behalf of the commission.

68-7-113.

(a)

(1) Each clinical cannabis establishment shall maintain an inventory control system that meets the requirements of this section and all requirements established by the commission.

(2) The inventory control system must be able to monitor and report information, including:

(A) The chain of custody and current whereabouts, in near real time, of cannabis from the point that a seed, cutting, or clone is planted at a cultivation facility and processed into a clinical cannabis product at a processing facility;

(B) The chain of custody and current whereabouts, in near real time, of a clinical cannabis product from the point that it is produced at a processing facility until it is sold or dispensed at a clinical cannabis center;

(C) In the case of an integrated facility, the chain of custody and current whereabouts, in near real time, of cannabis from the point that a seed, cutting, or clone is planted and processed into a clinical cannabis product at an integrated facility until it is sold or dispensed at a clinical cannabis center;

(D) The name of each person or other clinical cannabis establishment, or both, to which the establishment transferred or sold cannabis or a clinical cannabis product;

(E) In the case of a clinical cannabis center, the date on which the center sold or dispensed a clinical cannabis product to a person who holds a valid registry identification card and the quantity of clinical cannabis products sold or dispensed; and

(F) Any other information the commission may require by rule.

(3) Except where otherwise prohibited by federal law, this section does not prohibit more than one (1) clinical cannabis establishment from co-owning or using an inventory control system in cooperation with other clinical cannabis establishments, or sharing the information obtained from the system.

(b)

(1) Except as provided in subsection (c), each clinical cannabis establishment shall maintain a digital video surveillance system that meets the requirements of this section and all requirements established by the commission.

(2) The video surveillance system must comply with the following requirements:

(A) Each clinical cannabis establishment shall install and use security cameras to continuously monitor and record, twenty-four (24) hours per day, all areas where cannabis is cultivated, processed, stored, disposed of, and loaded or unloaded for transportation, including any areas through which cannabis or a clinical cannabis product is moved within the premises from cultivation, processing, storage, disposal, or transport, such as hallways and staging areas;

(B) Security cameras must record in high definition and allow for clear and certain identification of any person and activities in all areas required to be monitored in accordance with subdivision (b)(2)(A);

(C) Recordings from security cameras must be maintained for a minimum of ninety (90) days in a secure location or through a service over a network that provides remote, peer-to-peer access;

(D) Except as provided in subsection (d), all live video surveillance system feeds must be accessible by the commission via remote login credentials, and the commission may authorize the inspection of video surveillance system recordings by authorized Tennessee bureau of investigation personnel upon request;

(E) The video surveillance system must have the ability to remain operational during a power outage and be equipped with a failure notification system that provides notification to the clinical cannabis

establishment of any interruption or failure of the video surveillance system or video surveillance system data storage device; and

(F) All recorded video must display a time and date stamp.

(c)

(1) Clinical cannabis centers, cultivation facilities, integrated facilities, and processing facilities are not required to have a video surveillance system in any vehicle used to transport cannabis or a clinical cannabis product, but shall maintain a video surveillance system in accordance with this section in areas under their control that are used to store cannabis or clinical cannabis products awaiting transport, including warehouse facilities and secure parking lots.

(2) Any vehicle used by a clinical cannabis center, cultivation facility, integrated facility, or processing facility to transport cannabis or clinical cannabis products must be equipped with a system that provides time-correlated and continuous tracking of the geographic location of the vehicle using a global positioning system (GPS) based on satellite and other location tracking technology when the vehicle is used to transport cannabis or clinical cannabis products.

(d) This section does not restrict a clinical cannabis center from using a video surveillance system in areas where clinical cannabis products are sold or dispensed to cardholders; however, to maintain patient privacy protections, the live video surveillance system feed must not be made available as provided in subdivision (b)(2)(D).

(e) In addition to any report filed with law enforcement, a clinical cannabis establishment shall notify the commission within one (1) business day of any notice of theft or significant loss of cannabis or clinical cannabis products.

68-7-114.

(a) Each clinical cannabis center must have the capability to send data to and receive data from the electronic verification system established by the commission pursuant § 68-7-205 in a manner prescribed by the commission.

(b) Each clinical cannabis center shall check the electronic verification system established by the commission pursuant to § 68-7-205 prior to dispensing any clinical cannabis products described in § 68-7-119 to determine if the cardholder's registry identification card is valid.

(c) A clinical cannabis center must exercise reasonable care to ensure that the personal identifying information of cardholders is protected and not divulged for any purpose not specifically authorized by law.

(d) Each clinical cannabis center shall ensure the following:

(1) That the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredient in all clinical cannabis products the clinical cannabis center sells is clearly and accurately stated on the product sold;

(2) That the clinical cannabis center does not sell more than the allowable amount of clinical cannabis products to or for a qualifying patient in any one (1) thirty-day period;

(3) That the clinical cannabis center does not sell clinical cannabis product in any form other than an authorized form;

(4) That, prior to or upon the dispensing of a clinical cannabis product, the qualifying patient, or designated caregiver if the qualifying patient is unable, completes and submits the longitudinal study form developed by the commission and complies with any additional research license program requirements of which the patient is a participant; and

(5) That the authorized forms and allowable amounts of clinical cannabis products for clinical use, as developed by the commission, are clearly and conspicuously posted within the clinical cannabis center.

68-7-115.

(a) At each clinical cannabis establishment, cannabis and clinical cannabis products must be stored in a secure facility.

(b) Except as otherwise provided in subsection (c), at each clinical cannabis center, clinical cannabis products must be stored in a secure, locked device, display case, cabinet, or room within a secure facility.

(c) At a clinical cannabis center, clinical cannabis products may only be removed from the secure setting described in subsection (b):

(1) For the purpose of dispensing the clinical cannabis product; provided, that the clinical cannabis product is only removed immediately before the clinical cannabis product is dispensed and only by a clinical cannabis establishment agent who is employed by the clinical cannabis center; or

(2) For other purposes expressly authorized by the commission and in strict compliance with rules promulgated by the commission.

68-7-116.

(a) A nonresident card is recognized as valid in this state only under the following circumstances:

(1) The state or jurisdiction from which the bearer obtained the nonresident card grants an exception from criminal prosecution for the clinical use of cannabis;

(2) The state or jurisdiction from which the bearer obtained the nonresident card requires, as a prerequisite to the issuance of the card, that a practitioner complete and sign a written certification, or similar document, that specifies a bearer's debilitating medical condition;

(3) The nonresident card has an expiration date and has not yet expired;

(4) The nonresident cardholder provides evidence, in the form of a signed affidavit or other form as determined by the commission, that the nonresident cardholder is:

(A) Entitled to engage in the clinical use, or assist in the clinical use, of cannabis in the person's state or jurisdiction of residence; and

(B) Has been diagnosed with a debilitating medical condition, or is the parent, guardian, conservator, or other person with authority to consent to the medical treatment of a person who has been diagnosed with a debilitating medical condition; and

(5) The nonresident cardholder complies with restrictions on how cannabis may be used in this state and the legal limits regarding the allowable amount that may be possessed for clinical use.

(b) For purposes of the reciprocity described in this section:

(1) The authorized form and the amount of cannabis that the nonresident cardholder is entitled to possess in the cardholder's state or jurisdiction of residence are not relevant; and

(2) While present in this state, the nonresident cardholder shall not possess cannabis in an amount that exceeds the allowable amount or in a form that is not an authorized form of cannabis.

(c) The commission shall publish on its website the states or jurisdictions to which this state grants reciprocity and the affidavit form described in subdivision (a)(4).

68-7-117. Each clinical cannabis center, integrated facility, and processing facility, in consultation with the commission, shall ensure that all clinical cannabis products for sale are:

(1) Labeled clearly and unambiguously as clinical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredients clearly indicated;

(2) Upon dispensing, labeled clearly with dosage information, the qualifying patient's name and unique identification number, and a "use by" date;

(3) Upon dispensing, accompanied with instructions for use;

(4) Not presented in packaging or in a form that is appealing to children;

(5) Regulated and sold on the basis of the concentration of THC, cannabidiol, and cannabinol in the products and not solely by weight; and

(6) Packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

68-7-118.

(a) The commission shall perform all statutory and regulatory inspection and enforcement requirements of testing facilities under this chapter. The commission may engage qualified contractors or other state agencies to implement this section.

(b) The commission shall issue testing licenses to at least three (3) independent testing facilities, with at least one (1) issued per grand division.

(c) Product testing must be performed during cultivation and final processing to ensure that limits on the regulated constituents have been met prior to point of sale.

(d) The protocols for testing must include, but are not limited to, the following constituents:

(1) Cannabinoids;

(2) Heavy metals;

(3) Microbials;

(4) Mycotoxins;

(5) Residual pesticides; and

(6) Residual solvents.

(e) To obtain a testing license from the commission, an applicant must:

(1) Apply successfully as required pursuant to § 68-7-103; and

(2) Pay the requisite fees described in § 68-7-107.

(f) The cultivation, manufacture, and distribution or sale without independent testing to standards determined by the commission under this chapter is prohibited. A violation of this subsection (f) is a Class C felony.

68-7-119.

(a) A clinical cannabis center is authorized to sell:

(1) Clinical cannabis products containing concentrations of greater than three-tenths of one percent (0.3%) but less than nine-tenths of one percent (0.9%) of THC as a behind-the-counter product to any person who is a cardholder; and

(2) Clinical cannabis products containing concentrations of nine-tenths of one percent (0.9%) or more of THC to any person who is a cardholder.

(b) The maximum allowable amount of a clinical cannabis product described in subdivision (a)(2) that may be dispensed to or for a qualifying patient for a thirty-day period is two thousand eight hundred milligrams (2,800 mg) of THC.

(c)

(1) A clinical cannabis center shall ensure that every cardholder has received a medication therapy management consultation from a qualified pharmacist:

(A) Upon issuance of a temporary registry identification card;

(B) If it is the cardholder's first transaction at a clinical cannabis center;

(C) Upon renewal of a registry identification card; and

(D) Upon request by the cardholder.

(2) A consultation pursuant to this subsection (c) may be in person or via telephone or other live electronic communication.

(3) During a consultation, a qualified pharmacist may recommend a dosing level, but the dosing level must not exceed two thousand eight hundred

milligrams (2,800 mg) of THC. For a qualifying patient to receive a clinical cannabis product containing concentrations of nine-tenths of one percent (0.9%) or more of THC in an amount greater than six hundred milligrams (600 mg), the qualified pharmacist must document this dosage recommendation during a medication therapy management consultation with the patient.

(4) Any qualified pharmacist acting in good faith and with reasonable care in the provision of consultation services pursuant to this section is immune from disciplinary or adverse administrative actions for acts or omissions during the provision of consultation services.

(5) Any qualified pharmacist involved in the provision of consultation services pursuant to this section is immune from civil liability for actions authorized by this section in the absence of gross negligence or willful misconduct.

(d) Prior to dispensing a clinical cannabis product described in subsection (a), the clinical cannabis center shall:

(1) Have the qualifying patient complete and submit the longitudinal study form developed by the commission;

(2)

(A) Identify whether the qualifying patient is a participant in a current research license program; and

(B) Ensure the qualifying patient complies with any requirements of the research license program, including data collection; and

(3) Review the clinical cannabis products dispensed to or for the qualifying patient and update the information in a manner required by the commission.

(e) This section does not authorize a clinical cannabis center to sell a clinical cannabis product described in subsection (a) to a person presenting a nonresident card.

(f) A person who is a prospective cardholder may present an application receipt issued pursuant to § 68-7-201(e)(2) in lieu of a registry identification card for up to forty-five (45) days from the date of issuance.

(g) A clinical cannabis center shall provide applicable clinical cannabis program information and data to the commission upon request or as required by the commission.

68-7-120.

(a)

(1) The commission is responsible for accepting applications from eligible entities seeking to be issued a research license to research or study clinical cannabis in this state. The commission shall establish application requirements and publish those requirements on its website.

(2) The commission shall act on each completed application received in accordance with this subsection (a) within sixty (60) days of receipt.

(3) An applicant who submits an application in accordance with this subsection (a) and whose application for a research license is denied may appeal the denial in accordance with procedures established by the commission by rules promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b) In evaluating an application by an eligible entity for a research license, the commission shall consider:

(A) The nature of the medical research or study to be conducted, including medical conditions or symptoms, duration of the research or study, and modalities and dosages of clinical cannabis products, and whether the applicant provided a plain narrative describing the goals and type of research or study to be conducted;

(B) The previous experience of the applicant in conducting or organizing medical research or studies;

(C) Any demonstrated knowledge or expertise on the part of the applicant with respect to the clinical use of cannabis or clinical cannabis products;

(D) The applicant's understanding of and compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. § 1320d et seq.), and other federal and state confidentiality laws;

(E) Whether the research or study will include peer-reviewed publishing of results;

(F) Whether the research or study will evaluate the effectiveness of clinical cannabis products compared to United States food and drug administration (FDA) approved drugs;

(G) The applicant's plan for adverse event reporting; and

(H) Any other criteria of merit that the commission determines to be relevant.

(c) A research license authorizes an eligible entity to research or study clinical cannabis in this state and lasts until the eligible entity completes the approved research or study or after one (1) year, whichever is shorter. If the eligible entity will not complete the approved research or study at the end of one (1) year, the research license may be renewed for up to one (1) additional year upon the eligible entity paying the fee described in § 68-7-107. An eligible entity must reapply for a medical research or study that extends beyond two (2) years.

(d) An eligible entity issued a research license is authorized to:

(1) Contract with a cultivation facility, integrated facility, or processing facility for the production of clinical cannabis products specific to the research or study; and

(2) Coordinate with the commission for the administration, collection, and compilation of research forms and data through clinical cannabis centers.

(e) An eligible entity issued a research license pursuant to this section is immune from civil liability for actions authorized by this section in the absence of gross negligence or willful misconduct.

(f) For purposes of this section, "eligible entity" means:

(1) An accredited:

(A) College or university;

(B) Medical school; or

(C) School or college of pharmacy;

(2) A health-related organization that has received a determination of exemption from the United States internal revenue service pursuant to 26 U.S.C. § 501(c)(3), if the organization is currently operating under the exemption; or

(3) Any corporation, limited liability company, or other business entity approved by the commission.

68-7-121.

(a) A person shall not act as a qualified pharmacist unless registered with the commission in accordance with this section.

(b) To be registered as a qualified pharmacist, a person must:

(1) Complete at least two (2) hours of continuing education on medicinal cannabis biennially; and

(2) Submit an application to the commission on a form prescribed by the commission. The application must include:

(A) Proof that the applicant is licensed as a pharmacist under title 63, chapter 10, and in good standing with the board of pharmacy; and

(B) Proof that the applicant is in compliance with the requirement that a qualified pharmacist must complete at least two (2) hours of continuing education on medicinal cannabis biennially.

(c) Registration as a qualified pharmacist expires one (1) year from the date of issuance.

(d) Registration may be renewed by submission of a renewal application in a form prescribed by the commission. The renewal application must include:

(1) Proof that the applicant is still licensed as a pharmacist under title 63, chapter 10, and in good standing with the board of pharmacy; and

(2) Proof that the applicant is in compliance with the requirement that a qualified pharmacist must complete at least two (2) hours of continuing education on medicinal cannabis biennially.

68-7-122.

Any person or entity operating under a license issued pursuant to this chapter shall maintain confidentiality of patient information and data in conformity with standards established under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. § 1320d et seq.), and the rules and regulations promulgated by federal authorities in connection with HIPAA.

68-7-201.

(a)

(1) Except as provided in subsections (b) and (g), the commission shall issue a registry identification card to a qualifying patient who is a resident of this state or a contiguous state and who submits an application on a form prescribed by the commission accompanied by the following:

(A) A written certification issued by a practitioner, including a confirmation of diagnosis of a debilitating medical condition if applicable, not more than ninety (90) days before the date of the application;

(B) An application fee of thirty-five dollars ($35.00);

(C) The name, address, telephone number, social security number, and date of birth of the qualifying patient;

(D) Proof satisfactory to the commission that the qualifying patient is a resident of this state or a contiguous state;

(E) The name, address, and telephone number of the qualifying patient's practitioner;

(F) The name, address, telephone number, social security number, and date of birth of the designated caregiver chosen by the qualifying patient; and

(G) If more than one (1) designated caregiver is designated at any given time, documentation demonstrating that more than one (1) designated caregiver is needed due to the patient's age or debilitating medical condition. Only a qualifying patient who is a resident of a healthcare facility is allowed to have more than two (2) designated caregivers at one (1) time.

(2) A prospective cardholder shall submit the application and application fee for the registry identification card to the commission.

(b) The commission shall issue a registry identification card to a qualifying patient who is less than eighteen (18) years of age if the custodial parent or legal guardian with responsibility for healthcare decisions for the person under eighteen (18) years of age:

(1) Submits the materials required pursuant to subsection (a); and

(2) Signs a written statement setting forth that the parent or guardian consents to allowing the qualifying patient's clinical use of clinical cannabis products and will:

(A) Serve as the qualifying patient's designated caregiver; and

(B) Control the acquisition, dosage, and administration of the clinical cannabis product for the qualifying patient.

(c) A qualifying patient who is younger than eighteen (18) years of age and who is emancipated by marriage, court order, or in any other way recognized by law in this state has all the rights and responsibilities of an adult under this chapter, except to the extent those rights are restricted by court order.

(d) If a qualifying patient is unable to personally submit the information required by this section due to the person's age or debilitating medical condition, the person with the legal authority to make medical decisions for the qualifying patient may do so on behalf of the qualifying patient.

(e) Upon receipt of an application that is completed and submitted pursuant to this section, the commission shall:

(1) Record the date on which the application was received;

(2) Immediately issue proof of receipt to the applicant; and

(3) Distribute written or electronic copies of the application in the following manner:

(A) One (1) copy to the qualifying patent's practitioner; and

(B) One (1) copy to the board of medical examiners if the practitioner is licensed to practice medicine pursuant to title 63, chapter 6, or one (1) copy to the board of osteopathic examination if the practitioner is licensed to practice osteopathic medicine pursuant to title 63, chapter 9.

(f)

(1) The commission shall verify the information contained in an application submitted pursuant to this section and approve or deny the application within thirty (30) days of receiving a completed application. The commission may contact the qualifying patient, or qualifying patient's custodial parent or legal guardian if applicable, and the qualifying patient's practitioner and

designated caregiver by telephone to determine that the information provided on or accompanying the application is accurate.

(2) Within five (5) days of approving an application, the commission shall issue registry identification cards to the qualifying patient and the patient's designated caregiver, if applicable. A designated caregiver must have a registry identification card for each of the caregiver's qualifying patients.

(g) The commission may deny an application only on the following grounds:

(1) The applicant:

(A) Did not provide the required information, fee, or accompanying materials;

(B) Materially failed to comply with rules promulgated by the commission to effectuate this chapter;

(C) Previously had a registry identification card revoked; or

(D) Previously had a registry identification card suspended for a conviction under § 68-7-303(c), possession of an unauthorized form of cannabis; or

(2) The commission:

(A) Determines that the qualifying patient's practitioner is not licensed in this state or is not in good standing with the board of medical examiners or board of osteopathic examination, as applicable; or

(B) Determines that false information was knowingly provided by the applicant.

(h) If the commission denies an application for a registry identification card, then the qualifying patient or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, may appeal the denial with the commission. The denial of an application for a registry identification card following administrative review is considered a final action, subject to judicial review. Any

administrative or judicial review of the denial of an application for a registry identification card must be in accordance with the procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

68-7-202.

(a) When issuing a registry identification card to a qualifying patient, the commission shall also issue a registry identification card to each person identified as a designated caregiver by the qualifying patient if the designated caregiver:

(1) Is a resident of this state or a contiguous state;

(2) Is at least twenty-one (21) years of age or a parent or legal guardian of a qualifying patient;

(3) Has agreed in writing, on a form prescribed by the commission, to assist with the qualifying patient's clinical use of a clinical cannabis product;

(4) Has not been convicted of a disqualifying felony offense;

(5) Has not previously had a registry identification card revoked;

(6) Has not previously had a registry identification card suspended for a conviction under § 68-7-303(c), possession of an unauthorized form of cannabis; and

(7) Does not assist more than five (5) qualifying patients with their clinical use of a clinical cannabis product, unless the designated caregiver's qualifying patients each reside in or are admitted to a healthcare facility where the designated caregiver is employed.

(b) A qualifying patient must submit an application, on a form prescribed by the commission, to designate a new caregiver or change the patient's designated caregiver. An application fee of fifteen dollars ($15.00), or other amount as determined by the commission, applies.

(c) Prior to issuing a registry identification card to a designated caregiver, the commission shall:

(1) Conduct a criminal history records check of the designated caregiver to determine whether the caregiver has been convicted of a disqualifying felony offense;

(2) Verify that the designated caregiver has not previously had a registry identification card revoked; and

(3) Verify that the designated caregiver is not currently registered as assisting five (5) or more qualifying patients with their clinical use of a clinical cannabis product or that the designated caregiver's qualifying patients reside in or are admitted to a healthcare facility where the designated caregiver is employed.

(d) The commission may deny the issuance of a registry identification card to a designated caregiver only if:

(1) The designated caregiver does not meet the requirements of subsection (a); or

(2) The qualifying patient notifies the commission that the patient no longer wishes the person to be the patient's designated caregiver.

(e) If a designated caregiver is denied the issuance of a registry identification card, then:

(1) The commission shall give written notice to the qualifying patient and designated caregiver of the reason for the denial of the registry identification card;

(2) A qualifying patient or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, whose chosen designated caregiver has been denied a registry identification card may appeal the denial with the commission. The denial of a designated caregiver's registry identification card following administrative review is considered a final action, subject to judicial review. Any administrative or judicial review of the denial of a

designated caregiver's registry identification card must be in accordance with the procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5; and

(3) In lieu of an appeal, a qualifying patient may submit an application designating a new designated caregiver.

(f) The commission is authorized to create a designated public caregiver program in which the commission may assign a vetted volunteer to provide assistance as a designated caregiver to a qualifying patient for whom there is no designated caregiver otherwise available.

68-7-203.

(a) A registry identification card must contain all of the following:

(1) The name of the cardholder;

(2) A designation of whether the cardholder is a qualifying patient or a designated caregiver;

(3) The date of issuance and expiration date of the registry identification card;

(4) An identification number that is unique to the cardholder;

(5) If a temporary registry identification card, a temporary designation on the card;

(6) If the cardholder is a designated caregiver, the identification number of the qualifying patient the caregiver is designated to assist;

(7) The telephone number or website for the verification system established pursuant to § 68-7-205; and

(8) Security features to prevent diversion, fraud, and abuse and to track the dispensing of a clinical cannabis product to the patient.

(b) Except as provided in subsection (c), the expiration date is one (1) year after the date of issuance.

(c) If the practitioner stated in the written certification that the qualifying patient's debilitating medical condition is expected to last until a specified date and for a period of less than one (1) year, then the registry identification card expires on that date.

68-7-204.

A cardholder may submit an application for renewal of an existing registry identification card beginning sixty (60) days prior to the expiration date. An application for renewal may be submitted at a clinical cannabis center or through an online renewal procedure established by the commission.

68-7-205.

(a) The commission shall establish and maintain an electronic verification system and may use an existing electronic verification system, such as the controlled substance database established in the Tennessee Prescription Safety Act of 2016, compiled in title 53, chapter 10, part 3, for purposes of this chapter. The information kept in the system must be kept confidential except as provided in this chapter and must not be used for any purpose other than that described in this chapter.

(b) The electronic verification system must allow law enforcement personnel and clinical cannabis establishments to enter a registry identification number to determine whether the number corresponds with a valid registry identification card. For law enforcement purposes, the system may disclose only:

(1) Whether the identification card is valid; and

(2) The name of the cardholder.

(c) To ensure the privacy and confidentiality of patient records, information obtained from the electronic verification system database shall not be made a public record. Any information used in a criminal or administrative action from the database must be placed under seal or have patient names and all other personally identifying information of patients redacted.

68-7-206.

(a) A cardholder is required to notify the commission as follows:

(1) A registered qualifying patient shall notify the commission of any change in the patient's name or address, or if the registered qualifying patient ceases to have the patient's debilitating medical condition, within thirty (30) days of the change;

(2) A registered designated caregiver shall notify the commission of any change in the caregiver's name or address, or if the designated caregiver becomes aware of the death of the caregiver's qualifying patient, within thirty (30) days of the change; and

(3) If a cardholder's registry identification card becomes lost or stolen, the cardholder shall notify the commission within ten (10) days of becoming aware the card has been lost or stolen.

(b) If a qualifying patient is unable to make the notification required under subsection (a) due to the patient's age or medical condition, the patient's designated caregiver shall make the notification.

(c) When a cardholder notifies the commission of a circumstance identified in subsection (a) and the cardholder remains eligible under this chapter, the commission shall inform the cardholder whether it will issue a new registry identification card. If a new registry identification card is to be issued, the commission shall issue the cardholder a new card with a new unique identification number within ten (10) days of receiving the updated information and any fee required to replace the card. If applicable, the commission shall also issue a new registry identification card to the patient's designated caregiver within ten (10) days of receiving the updated information.

68-7-207.

(a) If the commission receives notification of a cardholder's conviction under § 68-7-303(h), then the commission shall immediately suspend the cardholder's registry identification card and promptly notify the cardholder of the reason for the suspension.

(b) The commission shall reinstate a registry identification card that has been suspended pursuant to subsection (a) upon the commission receiving written confirmation that the cardholder has fulfilled all the requirements for the sentence imposed by the court in which the cardholder was convicted of the offense; provided, that such court may authorize the commission to reinstate the registry identification card prior to the fulfillment of the requirements for the sentence. If the card is restored pursuant to this subsection (b) prior to its expiration date, then the cardholder is not required to pay an application fee for the period remaining before the card's expiration. The commission may impose a reasonable reinstatement fee of five dollars ($5.00), or other reasonable amount determined by the commission, for processing the restoration of the card.

(c) If the commission receives notification of a cardholder's conviction under § 68-7-304 or a designated caregiver's conviction for a disqualifying felony offense, then the commission shall immediately suspend the cardholder's registry identification card and shall begin the process to revoke the cardholder's card in accordance with procedures established by rule. Except pursuant to court order or commission review on appeal, a cardholder who has had a registry identification card revoked is not eligible to receive or be issued a registry identification card.

(d) A cardholder or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, whose registry identification card has been suspended or revoked may appeal the suspension or revocation with the commission in accordance with procedures established by the commission. The suspension or revocation of a cardholder's registry identification card following an appeal is considered a final action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the chancery court of Davidson County.

68-7-301.

(a) It is an exception to the application of title 39, chapter 17, part 4, that, at the time of the commission of an act constituting an offense under such part, the person:

(1) Was issued a valid registry identification card and in strict compliance with this chapter;

(2) Was a nonresident cardholder and in strict compliance with this chapter; or

(3) Acted in the person's capacity as a clinical cannabis establishment agent or pursuant to a research license issued by the commission and was in strict compliance with this chapter.

(b) A practitioner is not subject to arrest or prosecution under state law, or to being penalized in any manner, or denied any right or privilege, including any disciplinary action by a state professional licensing board, for completing a written certification for a qualifying patient if:

(1) The practitioner has diagnosed, or confirmed the diagnosis of, the patient as having a debilitating medical condition;

(2) The written certification is based upon the practitioner's professional opinion after having completed a full assessment of the patient's medical history and current medical condition made in the course of a bona fide practitioner-patient relationship; and

(3) The practitioner has not abused the practitioner's authority to provide written certifications or diagnoses of debilitating medical conditions, including confirmation of diagnoses as described under § 68-7-102(15)(N).

(c) A professional licensing board shall not penalize or take any disciplinary action against, or deny any right or privilege to, a person solely on the basis of the person:

(1) Being issued a valid registry identification card and acting in strict compliance with this chapter;

(2) Acting in the person's capacity as a clinical cannabis establishment agent in strict compliance with this chapter;

(3) If the person is an attorney licensed to practice law in this state, providing legal advice or services regarding activities authorized under this chapter;

(4) Providing professional advice or services regarding activity authorized under this chapter; or

(5) If a practitioner, properly issuing written certifications, regardless of the number issued.

(d) A qualifying patient or designated caregiver is presumed to be engaged in the clinical use of cannabis pursuant to this chapter if the person is in possession of a valid registry identification card, issued by this state or another and that must be presented upon request of a law enforcement officer, and an amount of clinical cannabis products in an authorized form that does not exceed the allowable amount.

68-7-302.

A clinical cannabis product, a clinical cannabis device, or other property seized from a qualifying patient or designated caregiver in connection with a claimed clinical use of cannabis under this chapter must be returned immediately upon the determination by a court that the qualifying patient or designated caregiver is entitled to the protections of this chapter, as evidenced by a decision not to prosecute, dismissal of charges, or an acquittal.

68-7-303.

(a) A qualifying patient is authorized to obtain clinical cannabis product for clinical use only from:

(1) A clinical cannabis center licensed pursuant to § 68-7-105; or

(2) A designated caregiver.

(b) A designated caregiver shall obtain clinical cannabis product for clinical use only from a clinical cannabis center licensed pursuant to § 68-7-105.

(c) A qualifying patient or designated caregiver shall not possess cannabis in any form other than an authorized form.

(d) A qualifying patient or designated caregiver shall not possess clinical cannabis product in an amount that exceeds the allowable amount.

(e) Any clinical cannabis product possessed by a qualifying patient or designated caregiver must be:

(1) Labeled clearly and unambiguously as clinical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredients clearly indicated;

(2) Labeled clearly with dosage information and the qualifying patient's name and unique identification number; and

(3) Kept with or in the labeled container or packaging provided by the licensed clinical cannabis center if the product itself is incapable of being labeled.

(f) The smoking of cannabis or any clinical cannabis product is prohibited. A clinical cannabis product that is aerosolized, nebulized, or vaporized by means of a clinical cannabis device approved by the commission or the federal food and drug administration (FDA) is not considered to be smoked.

(g) A qualifying patient or designated caregiver who knowingly violates this section commits a Class C misdemeanor.

(h) Notwithstanding subsection (g), a qualifying patient or designated caregiver who intentionally possesses a clinical cannabis product in an amount that the patient or caregiver knows to exceed the allowable amount, and the possession of such amount would be an offense under § 39-17-417, commits an offense and may be prosecuted under that section.

68-7-304.

(a) It is an offense for a person to knowingly obtain or attempt to obtain any clinical cannabis product for clinical use by:

(1) Fraud, deceit, misrepresentation, embezzlement, or theft;

(2) The forgery or alteration of a practitioner's written certification;

(3) Furnishing fraudulent medical information or concealing a material fact;

(4) The use of a false name or patient identification number, or the giving of a false address; or

(5) The forgery or alteration of a registry identification card.

(b) A violation of subsection (a) is a Class E felony.

68-7-305. A person is not subject to arrest, prosecution, or penalty in any manner, and must not be denied any right or privilege, including any civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau, for:

(1) Being in the presence or vicinity of the clinical use of clinical cannabis products; or

(2) Allowing the person's property to be used for activities authorized by this chapter.

68-7-401.

(a) There is created the clinical cannabis commission.

(b) The commission consists of nine (9) members. The members comprising the commission must be of excellent character and reputation, not be less than thirty (30) years of age, and have been residents of this state for at least five (5) years preceding their appointment. In making appointments to the commission, the appointing authorities shall strive to ensure that the commission is composed of persons who are diverse in age, ethnicity, race, sex, geographic residency, perspective, and experience.

(c) The nine (9) members are appointed as follows:

(1) Three (3) members, appointed by the governor:

(A) One (1) member from the business community with expertise in complex supply and distribution systems;

(B) One (1) member who has demonstrated expertise and experience in law enforcement; and

(C) One (1) at-large member;

(2) Three (3) members, appointed by the speaker of the senate:

(A) One (1) member who is a healthcare professional licensed to practice medicine pursuant to title 63, chapter 6, or osteopathic medicine pursuant to title 63, chapter 9;

(B) One (1) member who has demonstrated expertise and experience in the field of agriculture; and

(C) One (1) at-large member;

(3) Three (3) members, appointed by the speaker of the house of representatives:

(A) One (1) member who is a healthcare professional licensed to practice pharmacy pursuant to title 63, chapter 10;

(B) One (1) member who has demonstrated expertise and experience in the field of finance, industry, or commerce; and

(C) One (1) member who is a qualifying patient or patient advocate; and

(4)

(A) The commission member described in subdivision (c)(2)(A) may be selected from a list of qualified healthcare professionals submitted to the speaker by interested medical groups, including, but not limited to, the Tennessee Medical Association; and

(B) The commission member described in subdivision (c)(3)(A) may be selected from a list of qualified healthcare professionals

submitted to the speaker by interested medical groups, including, but not limited to, the Tennessee Pharmacists Association.

68-7-402.

(a) In order to stagger the terms of the newly appointed commission members, initial appointments must be made prior to July 1, 2020, as follows:

(1) The speaker of the senate shall make three (3) initial appointments for a term that begins on July 1, 2020, and expires on June 30, 2022;

(2) The speaker of the house of representatives shall make three (3) initial appointments that begin on July 1, 2020, and expire on June 30, 2023; and

(3) The governor shall make three (3) initial appointments that begin on July 1, 2020, and expire on June 30, 2024.

(b)

(1) Following the expiration of members' initial terms as prescribed in subsection (a), all appointments to the commission are for terms of four (4) years and begin on July 1 and terminate on June 30, four (4) years thereafter.

(2) All members serve until the expiration of the term to which they were appointed and until their successors are appointed.

(3) A vacancy occurring other than by expiration of term must be filled in the same manner as the original appointment but for the balance of the unexpired term only.

(4) The appointing authority may remove a member appointed by the authority only for just cause, including misconduct, incompetency, or willful neglect of duty, after first delivering to the member a copy of the charges against the member.

(5) Members are eligible for reappointment to the commission following the expiration of their terms.

(c)

(1) The appointing authority shall remove from the commission any member who is absent from more than four (4) commission meetings during any twelve-month period and shall appoint a new member to fill the remainder of the unexpired term.

(2) The presiding officer of the commission shall promptly notify, or cause to be notified, the applicable appointing authority of any member who violates the attendance requirement described in subdivision (c)(1).

(d) Prior to beginning their duties, each member of the commission shall take and subscribe to the oath of office provided for state officers.

68-7-403.

(a) The official domicile of the commission is in Nashville. All meetings of the commission must be held in Nashville.

(b) The commission must be impaneled and hold its first meeting no later than July 15, 2020, at which time, and annually thereafter, the members shall elect a chair and other officers as the members deem necessary.

(c) The commission shall meet at least one (1) time in Nashville each month and hold other meetings for any period of time as may be necessary for the commission to transact and perform its official duties and functions. The commission may hold a special meeting at any time it deems necessary and advisable in the performance of its official duties. Five (5) members of the commission constitute a quorum for the transaction of any business or the performance of any duty, power, or function of the commission. A special meeting may be called by the chair or by a majority of the commission. The commission may participate by electronic or other means of communication for the benefit of the public and the commission in connection with any meeting authorized by law; provided, that a physical quorum is maintained at the location of the meeting.

68-7-404.

(a) The members of the commission shall receive compensation in the sum of twenty thousand dollars ($20,000) per year through June 30, 2021, after which members shall receive compensation in the sum of ten thousand dollars ($10,000) per year. Compensation is payable in monthly installments out of the state treasury.

(b) All members of the commission shall be reimbursed for their actual and necessary expenses incurred in connection with their official duties as members of the commission.

(c) All reimbursement for travel expenses must be in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

68-7-405.

(a) The commission shall appoint a director to serve at the pleasure of the commission. The commission shall fix the director's salary with the approval of the appropriate state officials as now required by law. The office of the director is to be located in Nashville.

(b) The director must be at least thirty (30) years of age. The director is designated as director, clinical cannabis commission.

(c) The director is the chief administrative officer of the commission, and all personnel employed by the commission are under the director's direct supervision. The director is solely responsible to the commission for the administration and enforcement of this chapter and is responsible for the performance of all duties and functions delegated by the commission and for coordination of administrative needs with the department of agriculture.

(d) The director shall keep and be responsible for all records of the commission and also serve as secretary of the commission. The director shall prepare and keep the minutes of all meetings held by the commission, including a record of all business transacted and decisions rendered by the commission.

(e) The director shall act and serve as hearing officer when designated by the commission and perform such duties as hearing officer as now authorized under this chapter.

(f) The commission is authorized to appoint an assistant director who shall perform such duties and functions that may be assigned by the director or the commission. The assistant director, if licensed to practice law in this state, may also be designated by the commission to sit, act, and serve as a hearing officer, and when designated as a hearing officer, the assistant director is authorized to perform the same duties and functions as the regular hearing officer.

(g) The director and assistant director shall be reimbursed for travel expenses in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

68-7-406.

(a) The commission is attached to the department of agriculture for administrative matters relating to budgeting, audit, and other related items, and for additional administrative support, including the use of department attorneys, inspectors, agents, officers, and clerical assistance as may be necessary for the effective administration and enforcement of this chapter.

(b) All fees authorized by this chapter must be paid into the general fund and credited to a separate account for the commission. Funds in this account must be used solely for the implementation and enforcement of this chapter, including administrative costs of the commission and support for clinical cannabis research, subject to the approval of the commissioner of finance and administration with the approval of the governor. It is the intent of the general assembly that this account be the sole source of funds for the commission and that the amount appropriated to the commission not exceed the amount collected from fees under this chapter. Additional funds may be

appropriated to the commission to assist with expenses prior to the commission becoming self-sufficient.

68-7-407. The commission shall adopt and implement a conflict of interest policy for its members. The policy must mandate annual written disclosures of financial interests and other possible conflicts of interest and an acknowledgement by commission members that they have read and understand all aspects of the policy. The policy must also require persons who are to be appointed to acknowledge, as a condition of appointment, that they are not in conflict with the conditions of the policy.

68-7-408.

(a) The commission is empowered and authorized to promulgate rules, including emergency rules, as may be necessary to effectuate this chapter and to carry out the functions, duties, and powers of the commission as provided in this chapter. All rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5. The commission shall enforce and administer this chapter and the rules made by it.

(b) The commission has the following functions, duties, and powers and shall:

(1) Issue all licenses and registration cards, and revoke any license or registration card authorized by this chapter under the following conditions:

(A) Revocation of a license or registration card must be made by the commission only on account of the violation of, or refusal to comply with, this chapter or any rule of the commission, after not less than ten-days' notice to the holder of the license or registration card proposed to be revoked, informing the licensee or establishment agent of the time and place of the hearing to be held, and all further procedure with reference to the revocation of any license or registration card must be fixed and prescribed in the rules adopted and promulgated by the commission;

(B) A person does not have a property right in any license or registration card issued under this chapter; and

(C) The commission shall hold a hearing to determine whether a license or registration card is to be revoked, which hearing must be held in accordance with the contested case provisions of the Uniform Administrative Procedures Act, whenever the appropriate local legislative body certifies that any licensee has habitually violated this chapter, or any regulation adopted by the county legislative bodies or legislative councils, relative to the conduct and operation of the business provided for in this chapter;

(2) Refuse to issue a license or registration card if, upon investigation, the commission finds that the applicant for a license or registration card has concealed or misrepresented, in writing or otherwise, any material fact or circumstance concerning the operation of the business or employment, or if the interest of the applicant in the operation of the business or employment is not truly stated in the application, or in case of any fraud or false swearing by the applicant touching any matter relating to the operation of the business or employment. If a license or registration card has been issued, then the commission shall issue a citation to the licensee or establishment agent to show cause why the license or registration card should not be suspended or revoked. All data, written statements, affidavits, evidence, or other documents submitted in support of an application are a part of the application;

(3) Issue registry identification cards and research licenses;

(4) Conduct investigations and audits for enforcing and preventing violations of this chapter;

(5) Summon any applicant for a license or registration card and also summon and examine witnesses, and administer oaths to applicants and witnesses in making any investigation;

(6) Prescribe reporting and educational programs the commission deems necessary or appropriate to ensure that the laws governing licensees and registration cards are observed;

(7) Prevent parts of the premises connected with or in any sense used in connection with the premises, where the possession, cultivation, production, transportation, delivery, receipt, sale, or purchase of clinical cannabis or clinical cannabis product may be lawful, from being used as a subterfuge, or means of evading this chapter or the rules of the commission;

(8) Issue a citation or refuse to issue or renew a license if, upon investigation, the commission finds that the applicant for a license has not demonstrated the financial capacity to operate the business in a manner consistent with the rules of the commission or is not generally paying its debts as they come due except for debts as to which there is a bona fide dispute;

(9) Require, on licensed premises, the destruction or removal of any containers or devices used or likely to be used in evading, violating, or preventing the enforcement of this chapter or the rules of the commission;

(10) Collect all fees paid or due and deposit collections with the state treasurer to be earmarked for and allocated to the commission, as described in § 68-7-406(b), for the purpose of the administration and enforcement of the duties, powers, and functions of the commission; and

(11) Be ultimately responsible for the collection, processing, and storage of research data developed from the longitudinal study form developed by the commission, as well as other research data if part of an agreement with an eligible entity issued a research license, and developing protocols for the

distribution of the data for analysis or publication while ensuring patient confidentiality. The commission is authorized to outsource collection, processing, and storage services.

68-7-409.

(a) In addition to its functions, duties, and powers under § 68-7-408, the commission shall, in consultation with the departments of health, agriculture, and safety:

(1) Accept and review petitions submitted by practitioners and potentially qualifying patients regarding medical conditions, medical treatments, or diseases to be added to the list of debilitating medical conditions that qualify for the clinical use of cannabis;

(2) Consider for approval any debilitating medical conditions, medical treatments, or diseases to be added to the list of debilitating medical conditions that qualify for the clinical use of cannabis;

(3) Promulgate a standardized form to be used by practitioners for written certifications. The form must be made available to qualifying patients on the commission's website and allow for the inclusion of the following information:

(A) Patient's diagnosis and corresponding medical code, if applicable;

(B) Severity of the patient's symptoms or condition on a scale of one (1) to ten (10); and

(C) Current and immediate past treatments for the patient's symptoms or condition;

(4) Promulgate a standardized label for dispensed clinical cannabis products that allows for dosage information, the qualifying patient's name and unique identification number, and a "use by" date;

(5) Identify the top ten (10) practitioners by the number of written certifications issued and share the list with the appropriate professional licensing boards under title 63, chapters 6 and 9;

(6) Consider complaints or reports regarding alleged abuses by practitioners relative to written certifications or diagnoses of debilitating medical conditions and notify the appropriate professional licensing board;

(7) Accept, review, and, if appropriate, approve requests for waivers for individualized exceptions to dosing restrictions;

(8) Consider physical appearance and signage standards for clinical cannabis centers. However, if standards are set by the commission, they must not be more burdensome than those applicable to pharmacies and medical offices;

(9) Establish a clinical cannabis research license program in which the commission considers, approves, and grants research authorization to study clinical cannabis or clinical cannabis products;

(10) Promulgate a standardized application form that is to be used for research licenses;

(11) Promulgate a standardized form that is to be used by qualifying patients at clinical cannabis centers as part of a longitudinal study of clinical cannabis and clinical cannabis products. The study must be compliant with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. § 1320d et seq.), and the rules and regulations promulgated by federal authorities in connection with HIPAA. The longitudinal study form should include, but need not be limited to, symptom modification, side effects, and efficacy of clinical cannabis or clinical cannabis products;

(12) Develop and issue registry identification cards to cardholders that include security features to prevent diversion, fraud, and abuse, and allow for the

tracking of the dispensing of clinical cannabis products to or for a qualifying patient; and

(13) Approve clinical cannabis devices for the aerosolization, nebulization, or vaporization of clinical cannabis products, and identify on the commission's website the clinical cannabis devices approved by the commission or the federal food and drug administration (FDA).

(b) The commission, in consultation with the departments of agriculture, health, and safety, shall promulgate rules necessary to effectuate this chapter, including:

(1) Requirements for applications submitted pursuant to §§ 68-7-103, 68-7-108, and 68-7-120;

(2) Rules regarding:

(A) Clinical cannabis products, labeling standards, and doses;

(B) Approved forms or uses of clinical cannabis products;

(C) Fees;

(D) Security requirements for clinical cannabis establishments; and

(E) Procedures for the appeal of a license denied under § 68-7-105;

(3) Rules pertaining to the safe and healthful operation of clinical cannabis establishments, including:

(A) The manner of protecting against diversion and theft without imposing an undue burden on clinical cannabis establishments or compromising the confidentiality of cardholders;

(B) Minimum requirements for the oversight of clinical cannabis establishments;

(C) Minimum requirements for recordkeeping by clinical cannabis establishments;

(D) Provisions for the security of clinical cannabis establishments, including requirements for the protection of each clinical cannabis establishment by a fully operational security alarm system; and

(E) Procedures pursuant to which cultivation facilities and clinical cannabis centers must use the services of an independent testing facility to ensure that any clinical cannabis product sold by the clinical cannabis centers to end users are tested for content, quality, and potency in accordance with standards established by the commission;

(4) Establishing fees described in § 68-7-107 and circumstances and procedures pursuant to which those fees may be reduced over time, and ensuring that the fees do not exceed an amount that is more than the cost of administering this chapter, including any expenses related to research;

(5) Protecting the identity and personal identifying information of each person who receives, facilitates, or delivers services in accordance with this chapter while maintaining accountability of those persons;

(6) Establishing different categories of clinical cannabis establishment agent registration cards, including criteria for training and certification, for each of the different types of clinical cannabis establishments;

(7) Establishing:

(A) Authorized forms of cannabis that may be dispensed to and possessed by cardholders;

(B) Labeling standards and guidelines for clinical cannabis products, including that clinical cannabis products and container packaging are:

(i) Labeled clearly and unambiguously as clinical cannabis, with the weight, content, and concentration of THC,

cannabidiol, cannabinol, and any other significant active ingredients clearly indicated; and

(ii) Labeled clearly with dosage information, the qualifying patient's name and unique identification number, and the "use by" date upon dispensing; and

(C) Standards for identifying the allowable amount of clinical cannabis products, including THC, cannabidiol, cannabinol, and other significant active ingredient concentration and recommended doses;

(8) The transportation of cannabis and clinical cannabis products on public highways; and

(9) Addressing other matters necessary for the implementation of this chapter.

68-7-410. The commission is authorized and encouraged to apply for and utilize grants, contributions, appropriations, and other sources of revenue which must be deposited in the commission's general fund account to facilitate clinical cannabis study and research under the clinical cannabis research license program. The commission shall also assist researchers with obtaining any necessary waivers and approval from the federal drug enforcement agency and food and drug administration for clinical cannabis study and research under the clinical cannabis research license program.

68-7-411. The commission is authorized to investigate and examine the premises of any clinical cannabis establishment, including the books, papers, and records of any clinical cannabis establishment, for the purpose of determining compliance with this chapter. Any refusal to permit the examination of any books, papers, and records, or the investigation and examination of the premises, constitutes sufficient reason for the revocation of a license or the refusal to issue a license.

68-7-412. In any action or suit brought against the members of the commission in their official capacity in a court of competent jurisdiction to review any decision or order issued by the

commission, service of process issued against the commission may in their absence be lawfully served or accepted by the director on behalf of the commission as though the members of the commission were personally served with process.

68-7-413.

(a) In any case where the commission is given the power to suspend or revoke any license or registration card, it may impose a fine in lieu of or in addition to suspension or revocation. The commission shall promulgate by rule pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, a schedule setting forth a range of fines for each violation. The commission shall deposit collections of any fine with the state treasurer into the general fund of the state and credited to a separate account for the commission. For the purpose of imposing fines, each violation may be treated as a separate offense.

(b) Any document a person receives informing the person or entity of having a fine imposed upon the person or entity must cite each particular rule or statute the person or entity is being charged with violating.

(c) In any case where the commission is authorized to suspend or revoke a license or registration card, it may enter into an agreement by order with the licensee or registrant where the licensee or registrant voluntarily surrenders the license or registration card. The surrender is deemed a revocation of the license or registration card.

68-7-414. Any action brought against the commission must be brought in the circuit or chancery court of Davidson County.

68-7-415.

(a) The commission shall file a report with the attorney general and reporter whenever any person or entity licensed under this chapter:

(1) Fails to account for or pay over any license fees or taxes or levies pursuant to this chapter; or

(2) Has failed or refused to pay any obligations or liability or penalty imposed by this chapter.

(b) Upon receipt of the report under subsection (a), the attorney general and reporter shall institute the necessary action for the recovery of any such license fee, tax, levy, or any sum due the state of Tennessee under this chapter. The respective district attorney general is ordered and directed to assist the attorney general and reporter whenever required under this subsection (b).

68-7-416. Beginning in 2021, the director of the commission shall file an annual report with the chief clerks of the senate and the house of representatives and the legislative librarian for the benefit of the judiciary and the health and welfare committees of the senate and the judiciary and the health committees of the house of representatives no later than March 1 detailing with specificity each rule promulgated during the previous year together with the rationale for promulgating the rule. Before March 1 of each year, the director shall also appear before the committees for a review of the state's clinical cannabis program, including a summary of the research conducted by and through the commission.

68-7-501. This chapter does not require:

(1) A government medical assistance program or private insurer to reimburse a person for costs associated with the clinical use of cannabis;

(2) Any person or establishment in lawful possession of real property to allow a guest, client, customer, or other visitor to use clinical cannabis products on or in that property; or

(3) Any correctional facility to allow the possession or use of clinical cannabis on the facility's grounds.

68-7-502.

(a) An employer is authorized to establish policies permitting, restricting, or prohibiting the use of clinical cannabis products in the workplace.

(b) This chapter does not prohibit an employer from:

(1) Disciplining an employee for using a clinical cannabis product in the workplace or for working while under the influence of a clinical cannabis product; or

(2) Considering a job applicant's use of cannabis as a basis for refusing to hire the applicant for employment responsibilities described in § 50-9-106(a)(3)(A).

(c)

(1) Notwithstanding title 50, chapter 9, or any other law to the contrary, a public employer shall not take any adverse employment action against an employee who is a participating patient in the clinical cannabis program on the basis of a failed drug test attributable to a clinical cannabis product without a reasonable suspicion that the employee is under the influence in the workplace.

(2) Subdivision (c)(1) does not apply to a person employed in a safety-sensitive position, as defined in § 50-9-103.

68-7-503.

(a) A healthcare facility may adopt reasonable protocols on the use of cannabis by their residents or persons receiving inpatient services, including that:

(1) The facility is not required to store or maintain the patient's supply of clinical cannabis product;

(2) The facility, caregivers, or agencies serving the facility's residents are not responsible for providing the clinical cannabis product for qualifying patients; and

(3) Clinical cannabis products be used or administered only in a place specified by the facility.

(b) This section does not require a healthcare facility to adopt restrictions on the clinical use of cannabis.

(c) A healthcare facility shall not unreasonably limit a registered qualifying patient's access to or use of clinical cannabis products authorized under this chapter unless failing to do so would cause the facility to lose a monetary or licensing-related benefit under federal law.

68-7-504. Notwithstanding any law to the contrary, electronic payment and filing requirements for taxes levied under title 67 are waived and a clinical cannabis establishment may file a return in paper form and remit payments in cash or other form approved by the department of revenue. The commissioner of revenue is authorized to require that any paper filing be accompanied by a manual handling fee, not to exceed twenty-five dollars ($25.00), that is reasonably calculated by the department to account for the additional cost of preparing, printing, receiving, reviewing, and processing any paper filing.

SECTION 2. Tennessee Code Annotated, Section 4-29-242(a), is amended by adding the following as a new subdivision:

( ) Clinical cannabis commission, created by § 68-7-401;

SECTION 3. Tennessee Code Annotated, Section 39-17-427, is amended by deleting the section and substituting instead the following:

It is an exception to this part if the person lawfully possessed, manufactured, or distributed the controlled substance as otherwise authorized by this part; title 53, chapter 11, parts 3 and 4; or the Tennessee Clinical Cannabis Authorization and Research Act, compiled in title 68, chapter 7. Participation in the state's clinical cannabis program in accordance with the Tennessee Clinical Cannabis Authorization and Research Act does not imply illegal use of controlled substances regulated by the program.

SECTION 4. Tennessee Code Annotated, Title 39, Chapter 17, Part 13, is amended by adding the following as a new section:

39-17-1326. Notwithstanding any law to the contrary:

(1) A state or local law enforcement agency shall not use, or permit the use of, the electronic verification system or registry described in the Tennessee Clinical

Cannabis Authorization and Research Act, compiled in title 68, chapter 7 to determine whether a person is authorized to purchase, transfer, possess, or carry a firearm under this part;

(2) A person who is an authorized participant in the clinical cannabis program described in the Tennessee Clinical Cannabis Authorization and Research Act, whether participating as a registered agent, patient, or caregiver, does not commit an offense under this part when purchasing, transferring, possessing, or carrying a firearm and the basis for the commission of the offense is the person's participation in the program; and

(3) The prohibition on the use of public funds, personnel, or property to be allocated to enforce federal laws governing firearms under § 38-3-115 applies to the clinical cannabis program under the Tennessee Clinical Cannabis Authorization and Research Act, and persons acting in accordance with the program.

SECTION 5. Tennessee Code Annotated, Section 67-6-320(a), is amended by deleting the following language:

There is exempt from the tax imposed by this chapter any drug, including over-the-counter drugs, for human use dispensed pursuant to a prescription. This exemption shall not apply to grooming and hygiene products.

and substituting instead the following:

There is exempt from the tax imposed by this chapter any drug, including over-the-counter drugs, for human use dispensed pursuant to a prescription. This exemption does not apply to grooming and hygiene products or clinical cannabis products dispensed pursuant to the Tennessee Clinical Cannabis Authorization and Research Act, compiled in title 68, chapter 7.

SECTION 6. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following new section:

Notwithstanding this title to the contrary:

(1) The retail sale of clinical cannabis products pursuant to the Tennessee Clinical Cannabis Authorization and Research Act, compiled in title 68, chapter 7, is taxed at a rate equal to the rate of tax levied on the sale of tangible personal property at retail by § 67-6-202; and

(2) All revenue from the tax collected from the retail sale of clinical cannabis products must be deposited in the state general fund and credited to a separate account for the commission.

SECTION 7. Except where prohibited by federal law and notwithstanding any other law to the contrary, in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, the department of financial institutions shall promulgate rules authorizing clinical cannabis establishments to use banking services, including the depositing of revenue, in Tennessee-chartered banks or other Tennessee-chartered financial institutions.

SECTION 8. If any provision of this act or the application of any provision of this act to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared to be severable.

SECTION 9. For purposes of establishing the clinical cannabis commission, promulgating rules and forms, and conducting local option elections, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect October 1, 2020, the public welfare requiring it.